



Local Government Pension Scheme

Statement of Policy / Discretions for:

Employer Name: Cheltenham Borough Council

Applicable/Operative Date: 26th March 2012

Completed/Authorised By: Amanda Attfield

Date Completed: 26 03 2012

Signed - Amanda Attfield - Director People, Organisation Development and Change. Hard Copy to follow.

Signed:.....

**** PLEASE ENTER ABOVE DETAILS, which will be replicated onto each page of the document when it is printed. Once completed and printed, please ensure the Policy is signed by a person suitably authorised to do so ****

The Local Government Pension Scheme Regulations require an Employer to prepare and keep under review, a written statement of its policy in relation to the exercise of its functions under a number of provisions of the Regulations. Similarly, there are a number of discretions under the Regulations which, although not specifically requiring a written policy, would benefit from employers doing so, thereby demonstrating and ensuring a fair and consistent approach amongst its scheme members

The following template document has therefore been prepared to assist employers in preparing a "Policy Statement". A brief description of each discretion has been included together with confirmation of whether a written policy is a "Statutory Requirement" or "Advisable".

Please note that where an employer is changing a policy that is a “Statutory Requirement”, 1 months notice must be given before its operative date.

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**The Local Government Pension Scheme (Benefits,
Membership and Contributions) Regulations 2007**

**Regulation 12 - Power of employing authority to increase total membership of
active members (Augmentation)
(STATUTORY REQUIREMENT)**

*This provision gives an employer the discretion to grant up to a maximum of 10 years
additional membership to scheme members*

Regulation 12: The Council notes the discretion and confirms that it will not normally
make use of this discretionary power.

**Regulation 13: Power of employing authority to award additional pension –
(STATUTORY REQUIREMENT)**

*This provision gives an employer the discretion to grant up to a maximum of £5,000
additional annual pension to active scheme members.*

Regulation 13: The Council notes the discretion and confirms that it will not normally
make use of this discretionary power.

**Regulation 18: Flexible Retirement
(STATUTORY REQUIREMENT)**

This provision gives an employer the discretion to
*(i) allow a scheme member aged **55 or over, having reduced their hours and/or*
“rate” of pay, to receive their accrued benefits (in part or full) and continue working in
the “reduced” capacity
*** substitute 50 if member contributing at the 31/03/2008 and retires on or before 30/03/2010*
and
(ii) the discretion to waive on compassionate grounds, any reduction that may
normally apply due to the early payment of those benefits

Regulation 18 (i): The Council notes the discretion and confirms that it will allow
scheme members aged 55 or over, having reduced their hours and/or "rate" of pay in
accordance with the Councils' Flexible Retirement Policy, to receive their accrued
benefits (in part or in full) and continue working in the "reduced" capacity.

Regulation 18 (ii): The Council notes the discretion and confirms that it will not

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normally make use of this discretionary power.
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**Regulation 30: Choice of early payment of pension
(STATUTORY REQUIREMENT)**

*This provision gives an employer the discretion to
(i) allow a scheme member aged between **55 and 60 to receive their accrued
benefits early
** substitute 50 if member contributing at the 31/03/2008 and retires on or before 30/03/2010
and
(ii) the discretion to waive on compassionate grounds, any reduction that may
normally apply due to the early payment of the benefits*

*N.B. This Regulation applies in relation to both active and deferred members (who
left after 31/3/2008). It is therefore important that if you wish to apply your policy
differently to actives and deferreds, you make this clear in your statement.*

Regulation 30 (i): The Council notes the discretion and confirms that it does intend to
exercise this discretionary power in respect of 'active' members, subject to approval
of a business case to do so. The Council does not intend to exercise this
discretionary power in respect of 'deffered' members.

Regulation 30 (ii): The Council notes the discretion and confirms that it will not
normally make use of this discretionary power.

**Regulation 3 - Contributions payable by active members
(ADVISABLE)**

*An employer must decide the basis on which it will assess/ reassess the contribution
"band" applicable to scheme members*

The Council confirms that where there is a material change to a members 'whole
time' pensionable pay in the course of a financial year, the employees contribution
"band" will be re-assessed and the appropriate new contribution level applied with
effect from the date of that material change.

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**The Local Government Pension Scheme (Administration)
Regulations 2008**

**Regulation 16 – Re-employed and rejoining deferred members
(ADVISABLE)**

This provision allows an employer the discretion to extend the statutory 12 month window within which a scheme member can elect to aggregate previous deferred LGPS benefits into their current employment.

Regulation 16: The Council notes the discretion and confirms that it will not normally make use of this discretionary power.

**Regulation 83 – Inward Transfer of Pension Rights
(ADVISABLE)**

This provision allows an employer the discretion to extend the statutory 12 month window within which a scheme member can elect to transfer benefits from another scheme into their current employment.

Regulation 83: The Council notes the discretion and confirms that it will not normally make use of this discretionary power.

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The following are now “Old” provisions relating to scheme members who have already left your employment and are entitled to Deferred Benefits under previous Regulations. Please note that the following two discretions could be considered as the “predecessors” of Regulation 30 of The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as applied to a deferred beneficiary).

It is important however, that a policy is in place for these historic provisions, to ensure that any future requests made from scheme members in such situations can be correctly and promptly dealt with.

The Local Government Pension Scheme Regulations 1995 (As Amended)

Regulation D11 2(c): Early payment of Deferred Benefits on Compassionate grounds (where left employment before 01/04/1998) (STATUTORY REQUIREMENT)

This provision gives an employer the discretion to allow early payment of Deferred benefits on compassionate grounds, where the scheme member left the employers employment before 01/04/1998 and has attained the age of 50

N.B. Early payment of benefits will always be without an actuarial reduction applied (i.e. payable at their full rate)

Regulation D11 2(c): The Council notes the discretion and confirms that it will not normally make use of this discretionary power.

The Local Government Pension Scheme Regulations 1997 (As Amended)

Regulation 31: Early payment of Deferred Benefits (where left employment between 01/04/1998 and 31/03/2008) (STATUTORY REQUIREMENT)

This provision gives an employer the discretion to allow early payment of Deferred benefits where the scheme member left the employers employment between 01/04/1998 and 31/03/2008 to

*(i) allow a scheme member aged between **50 and 60 to receive their accrued benefits early*

(ii) the discretion to waive on compassionate grounds, any reduction that may

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<i>normally apply due to the early payment of the benefits</i>
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Regulation 31 (i): The Council notes the discretion and confirms that it will not normally make use of this discretionary power.
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