

Report Author: Terry Jordan, Clerk to Wisbech Town Council

WISBECH TOWN COUNCIL

LGPS 2014 DISCRETIONS POLICY

Power to award additional pension – Regulation 31

Under the powers of this regulation, the Town Council has the ability to award additional pension for an active contributing member by a maximum of £6,500 per annum. The cost of any such additional pension awarded would be paid by the Town Council.

Wisbech Town Council will not consider buying any employee additional pension.

However, if an employee is retired in the interests of efficiency of the council, it may consider buying additional pension in the LGPS up to an amount no greater than £6500 (increased annually by the Pensions Increase). The payment would not be greater than the amount that the employee would have received had he or she been made redundant. There may be tax implications associated with this.

Voluntary funding of additional pension – Regulation 16(2e) and 16(4d)

Under the powers of this regulation, the Town Council could opt to meet some of the cost when an active member wishes to increase his or her pension by up to £6,500 per annum. Under this regulation, a payment could be a lump sum or a regular additional pension payment at the contribution set and agreed with the individual member employee concerned.

An individual may choose to increase voluntary the level of pension for him/herself but the Town Council would not consider increasing the level of its contribution unless there were exceptional reasons for doing so.

Flexible retirement – Regulation 30(6)

Under the powers of this regulation, the Town Council could allow an employee aged 55 years or more to draw all of the pension benefits that he or she has already built up whilst still continuing to work.

The Town Council may consent to benefits being paid under the flexible retirement policy to an employee over the age of 55 years who requests this, provided that the remuneration is being reduced by 40% through either a reduction in hours or grade or the reduction is less than 40% and does not incur a pension fund charge.

Employees should note that the final decision as to whether or not to grant flexible retirement is at the discretion of the Council as the employer.

Waiving of actuarial reductions – Regulation 30(8)

Normally, the early drawing of a pension is subject to Actuarial reductions. The waiving of these reductions will only be considered by the council on compassionate grounds for pre 2014 preserved benefits and in exceptional circumstances post 2014 benefits. Each request will be dealt with on an individual basis.

Switching on the 85 Year rule – Regulation 30(8)

The Parish Council can agree to apply the 85 year rule to pre 2014 accrued benefits, subject to a minimum actuarial reduction to age 60.

The parish Council will consider a request to switch on the 85 year rule in exceptional circumstances.

Post 31 March 2008 to pre 1 April 2014 leavers, early payment of pension – Regulation B30(2)(5), B30A(3)(5)

Under the powers of this regulation the employer can allow the early payment of deferred benefits to those with pre 2014 benefits between ages 55 and 59. They may also allow the early payment of pensions to former employees who were in receipt of a tier 3 ill health pension which has been suspended.

The early payment of any benefits in such circumstances will not be permitted if it would incur a cost to the Parish Council.

Membership aggregation – Regulation 22(7)(b), (8)(b)

Under this regulation the employee needs to make the decision about whether they want to combine previous LGPS membership with their new LGPS membership.

The Parish Council will not extend the 12 month period allowed to transfer in pension rights from other LGPS providers.

Transfer of pension rights – Regulation 100(6)

Under this regulation an employee may transfer previously earned pension rights from other employers into LGPS membership.

The Parish Council will not extend the 12 month period allowed to transfer in pension rights from non LGPS providers.

Employee contribution bands

The Parish Council will review annually the contribution band of each employee within the scheme based on their salary as at 1st April.

Approved and adopted 23-06-2014