

Discretions Policy for Daventry District Council

This policy confers no contractual rights. The Council retains the right to change the policies at any time without prior notice or consultation. Only the policy which is current at the time a relevant event occurs to an employee/scheme member will be the one applied to that employee/member.

A. Discretions from 1.4.14 in relation to active members (employees) and post 31.3.14 leavers under the Local Government Pension Scheme Regulations 2013 (Reg) and the Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 (TP):

1.	Reg 31	<p>Granting Additional Pension</p> <p>Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,822 p.a.)</p> <p style="color: red;">The Council does not usually award additional pension</p>
2.	Reg 16 (2)(e) and Reg 16(4)(d)	<p>Shared Cost Additional Pension Contributions</p> <p>Whether, where an active Scheme member wishes to purchase extra annual pension of up to £6,822 (figure at 1 April 2018) by making Additional Pension Contributions (APCs), to (voluntarily) contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC)</p> <p style="color: red;">The Council does not usually make such voluntary contributions.</p>
	Reg 16(16)	<p>Extension to the APC deadline</p> <p>Whether to extend 30 day deadline for a member to elect for a shared cost APC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave)</p> <p style="color: red;">The Council will only extend the 30 day deadline where it is considered that there are reasonable grounds for allowing a member to have more time to make an election.</p>

3.	Reg 30 (6)/TP 11(2) & Reg 30 (8)	<p>Flexible Retirement</p> <p>Whether all or some benefits can be paid if an active member aged 55 or over and with at least 2 years qualifying service reduces their hours or grade (flexible retirement)</p> <p>The Council does not usually offer flexible retirement, but will consider applications on their merits.</p> <p>Whether to waive, in whole or in part, actuarial reduction to benefits paid on flexible retirement</p> <p>The Council will not usually waive the actuarial reduction to benefits paid early, including on flexible retirement.</p>
4.	TPSch 2, para, 1(2) & 1(1)(c)	<p>85 Year Rule</p> <p>Whether to “switch on” the 85 year rule for a member or deferred member voluntarily drawing benefits on or after age 55 and before age 60 (other than on the grounds of flexible retirement).</p> <p>Daventry District Council has switched on the 85 year rule; under the previous LGPS Regulations the Council adopted this discretion.</p> <p>The 85 year rule can be activated when an employee’s service and age together add up to 85 or more.</p> <p>Scheme members can retire voluntarily at age 55 or over although the pension is actuarially reduced. By switching on the 85 year rule the Council pays the excess cost which is the difference between the reduction and benefits at age 60.</p> <p>The Council will not pay the excess cost for deferred members.</p>
5.	TP3(1), TPSch 2 para 2(1), B30(5), B30A(5), R30(8) & Reg 31 (5)	<p>Waive Reduction</p> <p>Whether to waive actuarial reduction on benefits which a member voluntarily draws before normal pension age.</p> <p>The Council will not usually waive actuarial reduction on benefits which a member or deferred member voluntarily draws before normal pension age.</p> <p>Whether to waive, on compassionate grounds, actuarial reduction on pre/and or post April 2014 benefits.</p> <p>Where a member or deferred member applies on compassionate grounds for the Council to exercise discretion to pay the difference in the reduction and what would have been paid out at normal retirement age, the Council will consider each case on its merits.</p> <p>Note: compassionate grounds are defined as where an active member or a deferred beneficiary needs to care full time for a close relative, spouse, partner or other dependant.</p>

5.	Reg 100 (6)	<p>Transferring in non LGPS pension rights</p> <p>whether to extend the normal time limit for acceptance or a transfer value beyond 12months from joining</p> <p>The Council does not usually extend the normal time limits.</p>
6.	Reg 22 (8) (b) and Reg 22 (7) (b)	<p>Joining LGPS membership</p> <ol style="list-style-type: none"> 1. Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment 2. Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with an ongoing concurrent employment <p>The Council does not usually extend the normal time limits</p>
7.	Reg 9(1) and 9 (3)	<p>How to determine employees' contribution rates.</p> <p>The Council will set employee contribution rates at the 1 April each year and will not make any changes, unless there is a material change which affects the scheme member's pensionable pay during the course of the financial year. If this is the case then the Council will inform the scheme member of the revised contribution rate and the date from which it is to be applied.</p>
8.	Reg 21 (5)	<p>Regular Lump Sum Payments</p> <p>Whether a lump sum payment made in the previous 12 months is a 'regular lump sum' for the purposes of Assumed Pensionable Pay.</p> <p>The Council will recognise a lump sum payment for the purposes of APP.</p>
	R21(5A) & R21(5B)	<p>Pensionable Pay</p> <p>Where in the Employer's opinion, the pensionable pay received in relation to an employment (adjusted to reflect any lump sum payments) in the 3 months (or 12 weeks if not paid monthly) preceding the commencement of Assumed Pensionable Pay (APP), is materially lower than the level of</p>

		<p>pensionable pay the member would have normally received, decide whether to substitute a higher level of pensionable pay having had regard to the level of pensionable pay received by the member in the previous 12 months.</p> <p>The Council will consider substituting a higher level of pensionable pay in such circumstances.</p>
	TP10(6)	<p>Deferred Benefits</p> <p>Whether to extend the 12 month option period for a member (who did not become a member of the 2014 Scheme by virtue of TP5(1)) to elect that pre 1 April 2014 deferred benefits should be aggregated with a new employment</p> <p>The Council will not usually extend the normal time limits.</p>

B. Discretions in relation to scheme leavers between 1.4.08 and 1.4.14 under the LGPS Regulations 2007:

1.	B30A(5), TPSch 2, para 2(1)	<p>Waive Reduction</p> <p>Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 and B30A</p> <p>Where a member or deferred member applies on compassionate grounds for the Council to exercise discretion to pay the difference in the reduction and what would have been paid out at normal retirement age, the Council will consider each case on its merits.</p> <p>Note: compassionate grounds are defined as where an active member or a deferred beneficiary needs to care full time for a close relative, spouse, partner or other dependant.</p>
2.	TPSch 2, para1(2) & 1(1)C)	<p>85 Year Rule</p> <p>Whether to switch on the 85 year rule for a pensioner member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60</p> <p>The 85 year rule can be activated when a deferred members service and age together add up to 85 or more.</p> <p>Scheme members can retire voluntarily at age 55 or over although the pension is actuarially reduced. There will be a cost for paying the pension early which the deferred member would have to meet.</p>

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C. Discretions under the Local Government Pension Scheme Regulations 1997 in relation to scheme leavers between 1.4.98 and 1.4.08:

1.	R31(2)	<p>Employer Consent Retirement</p> <p>Whether to grant an application for early payment of deferred benefits on or after age 50 and before age 55.</p> <p>Daventry District Council will exercise this discretion. This is a discretion not previously adopted. There would be an actuarial reduction which the ex-employee would have to meet.</p>
2.	R 31 (5):	<p>Waive Reduction</p> <p>Whether to waive on compassionate grounds the actuarial reduction applied to deferred benefits paid early.</p> <p>Where a member or deferred member applies on compassionate grounds for the Council to exercise discretion to pay the difference in the reduction and what would have been paid out at normal retirement age, the Council will consider each case on its merits.</p> <p>Note: compassionate grounds are defined as where an active member or a deferred beneficiary needs to care full time for a close relative, spouse, partner or other dependant.</p>
3.	R 31(7A)	<p>Employer consent at <i>Normal Retirement Date</i> (NRD) for 'optants out'</p> <p>Where an employee has opted out of the pension scheme but remained employed until retirement date, benefits can only be paid from NRD if employer agrees.</p> <p>Daventry District Council will consent to the payment of benefits for employees who have opted out at Normal Retirement Date – there is no cost to the Council.</p>
4.	TPSch 2,para 1(2) & 1(1)(f) & R60	<p>85 year rule</p> <p>Whether to switch on the 85 year rule for a pensioner member voluntarily drawing benefits on or after age 55 and before age 60.</p> <p>The 85 year rule can be activated when a deferred members service and age together add up to 85 or more.</p> <p>Scheme members can retire voluntarily at age 55 or over although the pension is actuarially reduced. There will be a cost for paying the pension</p>

		early which the deferred member would have to meet.
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D. Discretions under the Local Government Pension Scheme Regulations 1995 in relation to scheme members who ceased active membership before 1.4.98:

1.	Reg D11 (2) (c):	<p>Employer consent retirement</p> <p>Whether to grant an application for early payment of deferred benefits on or after age 50 on compassionate grounds.</p> <p>Daventry District Council will not usually grant an application for early payment of deferred benefits, but will consider applications on a case by case basis.</p> <p>Note: compassionate grounds are defined as where an active member or a deferred beneficiary needs to care full time for a close relative, spouse, partner or other dependant.</p>
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E. Discretions under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006:

1.	Reg 5:	<p>Redundancy Pay</p> <p>Whether to base redundancy payments on an actual weeks pay where this exceeds the statutory weeks' pay limit</p> <p>Daventry District Council will exercise this discretion. This has been adopted previously.</p>
2.	Reg 6:	<p>Lump Sum Compensation</p> <p>to award lump sum compensation of up to 104 weeks pay in cases of redundancy, termination of employment or efficiency grounds</p> <p>Daventry District Council will exercise this discretion. The maximum compensation to be awarded is 79.8 weeks by applying a multiplier to the statutory scheme. This has been adopted previously.</p>

F. Discretions under the Local Government (Early Termination of Employment)
(Discretionary Compensation) Regulations 2000:

1.	Reg 17:	<p>Abatement during re-employment</p> <p>Whether and to what extent to reduce or suspend the member's compensatory added years payment during any period of re-employment in local government.</p> <p><i>Daventry District Council will not exercise this discretion.</i></p>
2.	Reg 19	<p>Reduction following cessation of re-employment</p> <p>How to reduce the member's annual compensatory added years payment following the cessation of a period of re-employment in local government</p> <p><i>As the Council will not apply Reg17; then Reg19 will also not apply</i></p>
3.	Reg 21 (4)	<p>Apportionment of survivor benefit</p> <p>How to apportion any surviving spouses or civil partner's annual compensatory added years payment where the deceased person is survived by more than one spouse or civil partner</p> <p><i>Daventry District Council will consider each case on its merits.</i></p>
4.	Reg 21 (7)	<p>Survivors compensation payments</p> <p>Effects of remarriage, new civil partnership or co-habitation on survivor's compensation payments if the surviving spouse or civil partner of a leaver remarries or enters into a new civil partnership, whether the compensatory added years payments should be made.</p> <p><i>Daventry District Council will not exercise this discretion; the normal pension suspension rules should be applied.</i></p>
5.	Reg 21(5)	<p>If, under the preceding decision, the authority's policy is to apply the normal suspension rules, whether the spouse's or civil partner's annual compensatory added years payment should be reinstated after the end of the remarriage, new civil partnership or cohabitation</p> <p><i>Daventry District Council will consider applications for the reinstatement of suspended payments on the merits of each case.</i></p>

G. Discretions under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011:

	<p>Regs 3 (1) ; 3(4) and 8; 3(2); 4 (1); 4(3) and 8; 4(2) and 4(5)</p>	<p>Reg 3 (1): Whether to grant an injury allowance following a reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of their employment</p>	<p>The Council does not usually grant any injury allowances.</p>
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Note: compassionate grounds are defined as where an active member or a deferred beneficiary needs to care full time for a close relative, spouse, partner or other dependant.

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