

# UCKFIELD TOWN COUNCIL



## PENSION POLICY

Policy Number 32		
Issue No.	Date completed	Details of amendments
1	24.11.1998	FC.48.11.98
2	12.03.07	GP.99.03.07
3	12.02.08	GP.65.03.08
4	28.04.14	GP.69.04.14
5	09.06.14	GP.05.06.14
6	17.07.17	GP.09.07.17
<u>7</u>	<u>12.09.24</u>	<u>Review at Personnel Sub Committee</u>
<u>8</u>	<u>23.09.24</u>	<u>General Purposes Committee</u>

## 1. Introduction

All staff are automatically enrolled into the Local Government Pension Scheme (LGPS) if they meet certain criteria, details of which can be found on the East Sussex County Council's website. Employee contribution rates will be in accordance with salary bandings.

Staff not eligible for auto enrolment will still be invited to join the scheme. The Council actively supports and encourages all staff to join. The Council has adopted some amendments to the scheme which are listed below.

The Council is unable to give financial advice, however, if you need clarification as to contribution rates ~~ete-etc.~~, please contact the Assistant Town Clerk.

### **Employing Authority Discretions Under the Local Government Pension Scheme Regulations 2007/2008 (As Amended)**

Each employing authority must prepare a written statement of its policy in relation to the exercise of its functions under regulations

- ~~12 (power of employing authority to increase total membership of active members);~~
- ~~13 (power of employing authority to award additional pension);~~
- ~~18 (flexible retirement) and~~
- ~~30 (choice of early payment of pension) and 30A (choice of payment of pension: pensioner member with deferred benefits) of the Benefits Regulations.~~

<u>Regulation</u>	<u>Discretion</u>	<u>Employer's Policy on the exercise of this discretion</u>
<b>The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 as amended</b>		
12	Whether to augment membership of an active member (by up to 10 years)	UTC will not have a general policy to augment membership of an active member by up to 10 years, but may do so where a sound business case can be made to exercising this discretion. Each case will be considered on its individual merits.
13	Whether to grant additional pension to a member (by up to £5,000 p.a.)	UTC will not have a general policy to grant additional pension to a member (by up to £5,000 p.a.) but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.
18(1)	Whether all or some benefits can be paid if an employee reduces their hours or grade after reaching age 55 (flexible retirement)	UTC will not have a general policy of exercising this discretion but may do so where a sound business case can be made for granting flexible retirement with immediate access to all or part of the members benefits. UTC will consider requests on a case by case basis.
18(3)	Whether to waive, in whole or in part, any actuarial reduction on benefits paid on flexible retirement.	UTC will not waive, in whole or in part, the actuarial reduction on the benefits paid on flexible retirement.

30(2)	Whether to grant application for early payment of benefits on or after age 50/55 and before age 60.	UTC will not have a general policy of granting early payment of benefits on or after age 50/55 and before age 60 but will consider requests on a case by case basis. UTC may exercise this discretion where a sound business case can be made for doing so or where other exceptional circumstances arise that make payment of benefits justifiable.
30(5)	Whether to waive, on compassionate grounds, the actuarial reduction on benefits paid early.	UTC will not generally waive the actuarial reduction applied to benefits paid early under regulation B30(2). UTC may consider waiving the actuarial reduction where exercising that discretion can be justified in terms of the sound business case made for initially paying those benefits or where other exceptional circumstances arise that make payment of those benefits justifiable. Each case will be considered on its individual merits.
30A(3)	Whether to grant application for early payment of benefits to a former member on or after age 50/55 and before age 60.	UTC will not have a general policy of granting early payment of benefits on or after the age 50/55 and before age 60 but will consider requests on a case by case basis. UTC may exercise this discretion where a sound business case can be made for doing so or where other exceptional circumstances arise that make payment of those benefits justifiable.
30A(5)	Whether to waive, on compassionate grounds, the actuarial reduction on benefits paid early.	UTC will not generally waive the actuarial reduction applied to benefits paid early under regulation B30A(5). UTC may consider waiving the actuarial reduction where exercising that discretion can be justified in terms of the sound business case made for initially paying those benefits or where other exceptional circumstances arise that make payment of those benefits justifiable. Each case will be considered on its individual merits.

<b>The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006</b>		
Each employing authority must formulate, publish and keep under review the policy that they apply in the exercise of their discretionary powers under regulations 5 and 6.		
5	Gives a power to increase a redundancy payment made under the Employment Rights Act 1996.	UTC will not generally increase statutory redundancy payments above statutory weekly pay limits.
6	Allows an employer to award compensation in the form of a lump sum of an amount that must not exceed 104 weeks' pay. The regulation sets out the basis for calculating a week's pay for an individual.	UTC will not generally award up to 104 weeks compensation instead of compensatory added years.
<b>the Local Government (Discretionary Payments)(Injury Allowances) Regulations 2011</b>		
14	An LGPS employer must formulate, publish and keep under review the policy that it applies in the exercise of its discretionary powers to make any award under these Regulations.	UTC will not make any award these regulations.
<i>The above Regulation does not apply to Admitted Bodies</i>		

Whilst employers are not required to have a policy statement under the regulations for the following discretions they may wish to take them into consideration during this exercise.

<b>The Local Government Pension Scheme (Administration) Regulations 2008 as amended</b>		
16(4)(ii)	Whether to extend the 12 month option period for aggregation of deferred benefits.	UTC will not generally extend the normal time limit for aggregation beyond 12 months from joining the scheme but may do so where exceptional circumstances can be proven. In any event the maximum extension will be a period of two years from members joining the scheme. Each case will be considered on its individual merits.
83(8)	Whether to extend the normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.	UTC will not generally extend the normal time limit for acceptance of the transfer value beyond 12 months from joining the scheme but may do so where exceptional circumstances can be proven. In any event the maximum extension will be a period of two years from the member joining the scheme. Each case will be considered on its merits.
Regulation	Discretion	Employer's Policy on the exercise of this discretion

The Local Government Pension Scheme (LGPS) in England and Wales was amended from 1 April 2014 so that benefits accruing for service after 31 March 2014 will accrue on a Career Average Re-valued Earnings (CARE) basis, rather than on the previous final salary basis. The provisions of the CARE scheme, together with the protections for members' accrued pre 1 April 2014 final salary rights, are contained in the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.

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The Local Government Pension Scheme Regulations 2013		
<b>R16(2)(e)</b>	Where Additional Pension Contributions (APCs) are to be paid by regular contributions, whether to fund in whole or in part a members additional pension contribution. The maximum additional pension which can be purchased from 1 <sup>st</sup> April 2023 <del>14</del> is £7,5796,500 (£7,352 for 2022/2023).	UTC <del>would not normally consider this but, exceptional cases may be considered and would be subject to Council approval. will not have a general policy where APCs are paid by regular contributions, whether to fund in whole or in part a members additional pension contribution but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.</del>
<b>R16(4)(d)</b>	Where APCs are to be paid by a lump sum contribution, whether to fund in whole or in part a member's additional pension contribution. The maximum additional pension which can be purchased from 1 <sup>st</sup> April 2023 <del>14</del> is £7,5796,500 (£7,352 for 2022/2023).	UTC <del>would not normally consider this but, exceptional cases may be considered and would be subject to Council approval. will not have a general policy where APCs are paid by a lump sum contribution, whether to fund in whole or in part a members additional pension contribution but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.</del>
<b>R30(6) &amp; TP11(2)</b>	Whether to allow an active member who has attained the age of 55 or over who reduces their working hours or grade to receive immediate payment of all or part of their retirement pension to which the member is entitled to in respect of that employment subject to an actuarial reduction.	UTC <del>would not normally consider this but, exceptional cases may be considered and would be subject to Council approval. will not have a general policy to allow an active member who has attained the age of 55 or over who reduces their working hours or grade to receive immediate payment of all or part of their retirement pension to which the member is entitled to in respect of that employment subject to an actuarial reduction but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.</del>

<b>R30(8)</b>	Whether to waive in whole or in part any reduction in a members pension benefits as a result of a member who has not attained normal pension age but who has attained the age of 55 or over and has elected to receive immediate payment of a retirement pension.	UTC <del>would not normally consider this but, exceptional cases may be considered and would be subject to Council approval.</del> will not generally waive in whole or in part any reduction in a members pension benefits as a result of a member who has not attained normal pension age but who has attained the age of 55 or over and has elected to receive immediate payment of a retirement pension but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.
<b>R31</b>	Whether to award additional pension up to a maximum of <del>£7,579</del> <u>£6,500 for 2023/2024</u> ( <u>£7,352 for 2022/2023</u> ) to an active member or a member who was an active member who was dismissed by reason of redundancy, or business efficiency, or whose employment was terminated by mutual consent on grounds of business efficiency within 6 months of the date the member's employment ended.	UTC would not normally consider this but, <del>exceptional cases may be considered and would be subject to Council approval.</del> will not have a general policy to award additional pension up to a maximum of £6,500 to an active member or a member who was an active member who was dismissed by reason of redundancy, or business efficiency, or whose employment was terminated by mutual consent on grounds of business efficiency within 6 months of the date the member's employment ended but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.
<b>The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014</b>		
<b>TPSch 2, 2(2)</b>	Whether to "switch on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	UTC <del>would not normally consider this but, exceptional cases may be considered and would be subject to Council approval.</del> will not have a general policy to "switch on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60 but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.
<b>TPSch 2, 2(3)</b>	Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits from pre 1/4/14 membership where the employer has "switched-on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	UTC would not normally consider this but, <del>exceptional cases may be considered and would be subject to Council approval.</del> UTC will not generally waive on compassionate grounds, the actuarial reduction applied to benefits from pre 1/4/14 membership where the employer has "switched-on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60 but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on

its individual merits.

### Definition of Exceptional

For example, where stated exceptional cases would include:

- Bereavement
- Ill Health (Terminal)

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