

Padstow Town Council
Local Government Pension Scheme (LGPS) 2014
Employer Discretions Policy June 2014

Summary

Cornwall Pension Fund requested all the Councils that belong to the Local Government Pension Scheme provide them with a Local Government Pension Scheme (LGPS) 2014 Employer Discretions Policy by the 30th June 2014.

The default position is that Padstow Town Council will not make any additional pension contributions to the LGPS scheme. However, in exceptional circumstances, where there is a financial and organisational benefit, the policy provides for the payment of discretionary benefits for early retirement, the award of additional pension, early retirement on compassionate grounds and flexible retirement.

PTC may extend the 12 month limit for allowing active members to transfer benefits from previous pensionable employment into the Pension Fund if omissions have occurred in the provision of information to the employee in administering LGPS.

If PTC exercises the discretions that will benefit an employee this will add to the pension costs which should be quantified before the Council proceeds.

Consideration of requests to exercise any discretions are to be considered by the Staffing and Finance and General Purposes Committees for recommendation to Council. Authorisation and approval to exercise such discretions are for Full Council approval, following consultation with the FGP and Staffing Committees.

Policy Details

1. **Shared Cost Additional Voluntary Contributions (regulation 17)**

Additional Voluntary Contributions (AVC's) allow employees to make additional payments to an insurance policy held with Standard Life.

Padstow Town Council's policy is not to contribute to an employee's AVC

2. **Early Payment of Retirement Benefits – Waiving Actuarial Reduction (regulation 30(8))**

Employees with at least 2 year's LGPS membership can retire from age 55 and receive immediate benefit of their pension benefits. The default position is that the pension benefits payable are subject to an actuarial reduction (the amount an LGPS pension is reduced if it is taken before an individual's Normal Pension Age).

Padstow Town Council may choose to make good the actuarial reduction if there is a financial saving and benefit to the Council.

3. Early Payment of Retirement Benefits between age 55 and 60 – Transitional Provisions Regulations

Employees may retire early but this means a reduction in employee's pension benefits ('switching off' the 85 Year Rule) meaning no additional cost to the employer.

Padstow Town Council will not 'switch on' the 85 Year Rule for early retirement unless there is a financial saving and benefit to the Council.

4. Early Retirement on Compassionate Grounds (regulation 30(5))

Padstow Town Council will allow early retirement on compassionate grounds in exceptional circumstances, for example providing constant care for an immediate family member or extreme financial hardship.

5. Flexible Retirement (regulation 30(6))

Padstow Town Council permits flexible retirement only where there is a financial or operational benefit to the Council and providing that the employee's combined reduced earnings and pension do not exceed their pre-retirement earnings. The Council will not waive any actuarial reduction to an employee's pension in this situation and any pension costs must be recovered within 2 years.

6. Increase of Pension by Employer – regulation 31

Padstow Town Council does not grant an additional pension unless there is a definable benefit to the Council in so doing.

7. Transfer of Service into LGPS – regulation 100

If an employee has not been given any or sufficient details about the pension scheme or transfer option then Padstow Town Council may extend the 12 month time limit for allowing members to transfer pension benefits into the Cornwall Pension Fund.