

# NORTH THORESBY, GRAINSBY & WAITHE PARISH COUNCIL

## Employer Discretions Policy (Lincolnshire Pension Fund)

Under the Local Government Pension Scheme (LGPS) Regulations 2013, all employers are required to prepare and publish a written statement on how it will exercise the various discretions.

### Shared Cost Additional Pension Contribution (SCAPC) - Regulation 16 (2)(e) and 16 (4)(d)

Where an active member pays Additional Pension Contributions by regular or lump sum contribution to purchase extra annual pension, an employer can choose to voluntarily contribute towards the cost of purchasing that extra pension through a SCAPC

North Thoresby Parish Council does not consider contributions towards additional pension contributions to be an essential part of its employment strategy. However, North Thoresby Parish Council will consider applications made under these specific provisions having regard to its general policy from time to time, on the employee pay strategy and the particular circumstances surrounding each case.

It is likely that decisions will be made on the merits of each case having particular regard to factors such as:

- North Thoresby Parish Council's ability to meet the cost of granting such a request; and/or
- the member's personal circumstances.

### Awarding Additional Pension - Regulation 31

An employer can choose to grant additional pension up to the maximum allowed by the scheme rules provided that the member is active **or** is within 6 months of leaving **for reasons of** redundancy **or** business efficiency **or** whose employment was terminated by mutual consent on grounds of business efficiency.

Employers may wish to use this Regulation as an aid to recruitment, an aid to retention or to compensate or reward an employee who is retiring.

Employers should also consider provisions of this Regulation, in particular Regulation 31(4), if they decide to exercise their power under **Section 1 (general power of competence) of the Localism Act 2011**.

North Thoresby Parish Council will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to the following:

- the member's personal circumstances;
- the interests of North Thoresby Parish Council;
- the additional contributions due to the Fund by North Thoresby Parish Council in respect of the exercise of this discretion;

- any potential benefits or savings to North Thoresby Parish Council arising from the exercise of this discretion;
- other options that are, from time to time, available under North Thoresby Parish Council's severance arrangements;
- the funding position of North Thoresby Parish Council within the Fund;
- the ability of North Thoresby Parish Council to meet the cost of granting such an award.

### **Flexible Retirement - Regulation 30(6)**

An employer can decide whether to permit a member who has attained the age of 55 to draw all or part of their retirement benefits (both pension and lump sum) whilst continuing in employment and Fund membership provided that:

- there has been a reduction in hours, or
- a reduction in grade.

An employer may agree to waive in whole or in part any actuarial reductions that would be required (see below: Regulation 30(8)) )

North Thoresby Parish Council will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to:

- the operating requirements of the employing department
- North Thoresby Parish Council's ability to meet the cost of granting such a request
- whether any demonstrable cost saving in excess of potential savings available under any severance arrangements in place **from** time to time can be made
- the member's personal circumstances.
- whether to permit the member to choose to draw all, part or none of the pension benefits they have built up after 1 April 2008. Your flexible retirement policy should set out your position on this matter.

### **Waiving Actuarial Reductions - Regulation 30(8)**

An employer may agree to waive in whole or in part the actuarial reductions that would be required:

- all of the reductions in respect of pre 1 April 2014 benefits but only on compassionate grounds (paragraph 2 of Schedule 2 of the LGPS Transitional Regulations 2014);
- all or some of the actuarial reduction in respect of post 1 April 2014 on any grounds.

Where 85 year rule protections exists and the member has full or tapered protection the employer can waive all of the reductions but only on compassionate grounds for the service up to the date the 85 year rule protection ends (31 March 2016 (full) or 31 March .2020 (tapered)).

North Thoresby Parish Council will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to:

- North Thoresby Parish Council's ability to meet the cost of granting such a request

- whether any demonstrable cost saving in excess of potential savings available under any severance arrangements in place from time to time can be made
- the member's personal circumstances

Applications for the payment of unreduced benefits for service before 1 April 2014 on the grounds of compassion will be granted if:

- in North Thoresby Parish Council's sole opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided justify approval and
- North Thoresby Parish Council can meet the cost of granting such a request.

#### **Switching on the 85 rule – Schedule 2 - 1(1)(c) of the LGPS Transitional Regulations 2014**

An employer can decide whether to “switch on” the 85 year rule to allow members who have protections under old regulations, and who choose to voluntarily draw their benefits on or after age 55 and before age 60 to receive benefits either unreduced or with a smaller reduction to their 85 year rule date. The employer will be responsible for meeting any strain costs relating to benefits being paid before age 60. If the employer does not “switch on” the 85 year rule the member's benefits will be reduced to age 60 or the date they meet the 85 year rule if later.

North Thoresby Parish Council will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to:

- North Thoresby Parish Council's ability to meet the cost of granting such a request;
- whether any demonstrable cost saving in excess of potential savings available under any severance arrangements in place from time to time can be made;
- the member's personal circumstances.