



LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 1997

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- Redundancy Compensation Benefits
- Retirements in the Interest of the Efficiency Exercise of Local Authority Functions
- Early Payment of Pension on Compassionate Grounds
- Injury Allowances
- Abatement of earnings for local government pensioners re-employed in local government or related service

Avon Pension Fund
Administered by Bath & North East Somerset Council

LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 1997

STATEMENT OF POLICY CONCERNING EXERCISE OF DISCRETIONARY FUNCTIONS

ORGANISATION: BATH & NORTH EAST SOMERSET COUNCIL
(Please Print)

Regulation 15 Employer's discretion to reduce member's contribution rate

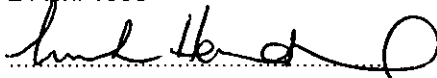
If a member has at least 40 years total membership in local government employment an employer may grant the employee a contributions holiday or a reduction in contributions.

Details of Policy Concerning Regulations

The Council will waive an employee's pension contributions when he/she has achieved 40 years local government membership of the local government pension scheme and is unable to accrue additional pensionable service, however should the employee continue in employment beyond the age of 60, contributions would be reinstated where further service could be accrued to a maximum of 45 years at age 65.

(Approved Personnel Committee 31 March 1998)

Date: 2 April 1998

Certified by: 

Designation: Human Resource Adviser

When complete please return to:

Mr B C Tanner, Pension Fund Manager, Avon Pension Fund, PO Box 9, Riverside, Temple St., Keynsham, Bristol, BS31 8LF



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STATEMENT OF POLICY CONCERNING EXERCISE OF DISCRETIONARY FUNCTIONS

ORGANISATION: **BATH & NORTH EAST SOMERSET COUNCIL**
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Regulation 31 Elections for early payment of benefits (Members leaving between the ages of 50 and 60)

An election by a member aged 50 or over but under 60 to receive early payment of benefits is not effective without the consent of the employer or former employer.

If the age and total membership of the member do not satisfy the 'Rule of 85', the benefits are subject to actuarial reduction.

An employer may determine on compassionate grounds that unreduced benefits should be paid.

Details of Policy Concerning Regulation

Applications for early release of benefits from employees between the ages of 50 to 59 inclusive will only be accepted in cases where it can be demonstrated as being in the Council's best interests; or


Where there are compassionate grounds for the early release of pension benefits.

Other than applications on compassionate grounds (where the responsibility for agreement is delegated jointly to the Human Resource Adviser and the Director of Resources), then all applications will be considered by the Personnel Committee or its successor.

In such cases where the early release of pension benefits is approved, actuarial abatement will be applied to the pension benefits if the sum of the employee's age and pensionable service is less than 85 years. The 'cost of the strain' on the pension fund will need to be met by the Council, and this will need to be taken into consideration when deciding whether the application is in the best interests of the Council.

(Approved Personnel Committee 31 March 1998)

Date: 2 April 1998

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ORGANISATION : **BATH & NORTH EAST SOMERSET COUNCIL**
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Regulation 52 & 143 Increase of the total membership of a member leaving employment at or after the age of 50.

An employer may resolve to increase the total membership of a member who leaves employment at or after reaching the age of 50.

A resolution may only be passed during the period of one month before the date of leaving or 6 months after that date.

If benefits have been awarded under the Local Government (Discretionary Payments) Regulations 1996 or ill health enhancement has been awarded membership cannot be increased under this Regulation.

An employer may resolve to convert a period of service credited under the Local Government (Discretionary Payments) Regulations 1996 to increased membership.

Details of Policy Concerning Regulation

The Council notes the new discretion to augment an employee's pension benefits on retirement but has no intention to make general use of this discretionary power but may wish to consider its use in exceptional cases in the future

(Approved Personnel Committee 31 March 1998)

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Regulation 53 Increase of the total membership of a new member

An employer may resolve to increase a new member's total membership, but such a resolution may only be passed within 6 months of the date he/she became a member.

Details of Policy Concerning Regulation

The Council has no intention to make general use of the discretionary power to augment an employee's service within 6 months of joining the scheme but may wish to consider its use in exceptional cases in the future.

(Approved Personnel Committee 31 March 1998)

Date: 2 April 1998

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STATEMENT OF POLICY CONCERNING EXERCISE OF DISCRETIONARY FUNCTIONS

ORGANISATION: **BATH & NORTH EAST SOMERSET COUNCIL**
(Please Print)

Regulation 67 Establishment of shared cost AVC Schemes

An employer may resolve to establish such an arrangement (SCAVC)

The resolution must specify who is and who is not eligible to participate in the SCAVC.

It must also specify whether the SCAVC may be used to provide death benefits.

The employer must also specify amount of the contributions which he will contribute to the SCAVC.

Details of Policy Concerning Regulation

The Council does not intend to set up a Shared Cost AVC at the present time.

(Approved Personnel Committee 31 March 1998)

Date: 2 April 1998

Certified by:

Designation: Human Resource Adviser

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Bristol, BS31 8LF

Bath & North East Somerset Council have also passed the following resolutions:

**Regulation No 9: Provision of widower's pensions in respect of service between
(Transitional Provisions) 1972 - 1988**

For the purposes of Paragraph 9 of the Transitional Provisions Regulations the service of married female members from 1 April 1972 to 5 April 1988 which is covered by an election will be treated as service to be used in determining the amount of a widower's pension.

The Council also agrees to accept late elections from any eligible female member.

It will be assumed that such female employees will wish to elect unless they notify the Council to the contrary.

Regulation 21

(Transitional Provisions): To no longer withhold spouse's pensions on remarriage or cohabitation

It was noted that a resolution to no longer withhold spouse's pensions has been passed by Bath & North East Somerset Council as the Administering Authority.

(Approved Personnel Committee 31 March 1998)

Regulation 109

Abatement of earnings for local government pensioners re-employed in local government or related service

On 3 March 1998, the Pensions Sub-Committee of the Council as Administering Authority for the Avon Pension Fund approved the following modified form of abatement:

- (i) that, when compared with annualised pensionable earnings at the retirement date, post-retirement earnings should be assessed at yearly intervals rather than be annualised on a monthly basis.
- (ii) that abatement should not be applied to employees who retire at normal retirement age.
- (iii) that there should be discretion to waive abatement where the additional administration involved in implementing abatement cannot be justified in relation to the amount of pension abated.

OTHER DISCRETIONS DETERMINED BY BATH & NORTH EAST SOMERSET COUNCIL

1. **Redundancy Compensation Benefits**

During the period 1 April to 31 August 1998, the Council will exercise the maximum discretion available to it under the Local Government (Discretionary Payments) Regulations 1996 as outlined on the attached sheet.

2. **Retirement in the Interest of the Efficient Exercise of Local Authority Functions**

During the period 1 April to 31 August 1998 the number of added years in the case of efficiency of service termination will be reviewed in the light of the specific circumstances. The application of a particular number of years will be the subject of consultation between the relevant service director, Director of Resources and Chief Executive.

3. **Early Payment of Pension on Compassionate Grounds**

The Council has agreed general criteria for the consideration of applications for the release of preserved benefits on compassionate grounds. Authority to determine individual applications is granted jointly to the Director of Resources and Human Resource Adviser subject to an annual report being made to Personnel Committee on how the delegation has been exercised.

4. **Injury Allowances**

The Council has agreed a scheme for the payment of Injury Allowances. Individual claims are determined by the Director of Resources in consultation with the Human Resource Adviser and relevant service director. Individual cases may be referred to the Personnel Committee which also receives an annual report detailing the number of applications dealt with and the cost of allowances in payment at the time of the report. The present scheme is currently under review to determine its effectiveness.

COMPENSATION, SEVERANCE AND REDUNDANCY PAYMENTS POLICY
1 APRIL 1998 TO 31 AUGUST 1998

1. **Compensation Payments** - based upon the **employee's actual week's pay** (the statutory maximum is currently £210 per week).
2. **Formula for calculating number of weeks paid, for employees aged 18 - 49 with 2 years' service or more and aged 50 and over with less than 2 years' service.**
 - a. Before age 23: $\frac{1}{2}$ a week's pay per year of service on or after the age of 18 and $\frac{1}{2}$ a weeks pay per year of service on or after the age of 20.
 - b. After age 23: 2 week's pay per complete year of service after age 18 and 3 week's pay per year of service after age 41.

Subject to maximum of 66 weeks.

(From the total sum payable to a person under Part 2 an amount equivalent to any redundancy payment made to that person must also be deducted).
 - c. For employees aged 50 or over with 1 or more but less than 2 completed years of service: 5 week's pay.

3. **'Added Years' enhancement**

For staff aged 50 or over with 5 years or more service, the Council will grant a notional period of service which may not exceed the shortest of the following periods:

- a period of 10 years
- a period equivalent in length to the aggregate of the employee's reckonable and qualifying service
- a period which, when added to employee's reckonable service does not exceed 40 Years
- a period equivalent in length to the period beginning with the day immediately following that on which the employee has prematurely retired and ending with the day s/he attained age 65.

Notes

- (a) Under the Local Government (Discretionary Payments) Regulations, if an employee qualifies for more than $6\frac{2}{3}$ Added Years, the Added Years lump sum payment must be reduced by an amount related to the employee's redundancy payment (30% for each year in excess of $6\frac{2}{3}$).

If the employee qualifies for more than $6\frac{2}{3}$ Added Years there is an option to limit the number of added Years to $6\frac{2}{3}$. This avoids reduction of the Added Years lump sum but also lowers the entitlement to on-going Added Years annual pension payment.

- (b) In the case of efficiency of service terminations, the number of Added Years is reviewed in the light of the specific circumstances with the application of a particular number of years being the subject of consultation between the relevant service director, Director of Resources and Chief Executive.



LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 1997

**Statement of Policy
Concerning Exercise of
Discretionary Functions**

Prepared by Human Resource Service

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JUNE 1998

STATEMENT OF POLICY CONCERNING EXERCISE OF DISCRETIONARY FUNCTIONS

New Regulations about the operation of the Local Government Pension Scheme came into effect on 1 April 1998. The new Regulations extend the flexibility available to employers within a number of areas. Individual employers are expected to establish a policy in these key areas rather than exercise the discretion on a case by case basis and to then issue a Statement of Policy.

Bath & North East Somerset Council's Personnel Committee considered each of these discretionary areas on 31 March 1998 and determined its policy on 1 April 1998 in each area as set out in the following pages. This policy statement will be subject to regular review.

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| 5. Establishment of shared costs AVC Schemes | Regulation 67 |
| 6. To no longer withhold spouse's pension on re-marriage or cohabitation | Regulation 21
(Transitional Provisions) |

Your attention is also drawn to the 'Local Government Pension Scheme - A Simple Guide to the Scheme' which has been issued to all LGPS members. Additional copies of the guide can be obtained by contacting your personnel office.

AVON PENSION FUND is administered by Bath & North East Somerset Council

STATEMENT OF POLICY CONCERNING EXERCISE OF DISCRETIONARY FUNCTIONS

1. **Employer's discretion to reduce member's contribution rate (Regulations 15)**

If a member has at least 40 years total membership in local government employment an employer may grant the employee a contributions holiday or a reduction in contributions.

Details of Policy

The Council will waive an employee's pension contributions when he/she has achieved 40 years local government membership of the local government pension scheme and is unable to accrue additional pensionable service, however should the employee continue in employment beyond the age of 60, contributions would be reinstated where further service could be accrued to a maximum of 45 years at age 65.

2. **Elections for early payment of benefits [members leaving between the ages of 50 and 60] (Regulation 31)**

An election by a member aged 50 or over but under 60 to receive early payment of benefits is not effective without the consent of the employer or former employer.

If the age and total membership of the member do not satisfy the 'Rule of 85', the benefits are subject to actuarial reduction.

An employer may determine on compassionate grounds that unreduced benefits should be paid.

Details of Policy

Applications for early release of benefits from employees between the ages of 50 and 59 inclusive will only be accepted in cases where it can be demonstrated as being in the Council's best interests; or

Where there are compassionate grounds for the early release of pension benefits.

Other than applications on compassionate grounds (where the responsibility for agreement is delegated jointly to the Human Resource Adviser and the Director of Resources), then all applications will be considered by the Personnel Committee or its successor.

In such cases where the early release of pension benefits is approved, actuarial abatement will be applied to the pension benefits if the sum of the employee's age and pensionable service is less than 85 years. The 'cost of the strain' on the pension fund will need to be met by the Council, and this will need to be taken into consideration when deciding whether the application is in the best interests of the Council.

STATEMENT OF POLICY CONCERNING EXERCISE OF DISCRETIONARY FUNCTIONS

3. Increase of the total membership of a member leaving employment at or after the age of 50 (Regulation 52 & 143)

An employer may resolve to increase the total membership of a member who leaves employment at or after reaching the age of 50.

A resolution may only be passed during the period of one month before the date of leaving or 6 months after that date.

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The Council notes the new discretion to augment an employees' pension benefits on retirement but has no intention to make general use of this discretionary power but may wish to consider its use in exceptional cases in the future.

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The employer must also specify amount of the contributions which he will contribute to the SCAVC.

Details of Policy

The Council does not intend to set up a Shared Cost AVC at the present time.

The Council has also passed the following resolution:

6. To no longer withhold spouse's pensions on remarriage or co-habitation (Regulation 21 [Transitional Provisions])

It was noted that a resolution to no longer withhold spouse's pensions has been passed by Bath & North East Somerset Council as the Administering Authority.

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