



Ashley House Approved Probation & Bail Hostel Management Committee

EMPLOYERS' DISCRETIONS UNDER THE LOCAL GOVERNMENT PENSION SCHEME

BACKGROUND

The Local Government Pension Scheme (LGPS) has been substantially re-vamped in the past year. Among the changes are a number of discretions that employers have, and each employer is required to publish its policy on some of them.

At its meeting of 19 November 2008, the Management Committee made the following policy on Regulations 12, 13, 18 and 30. They are published here along with the Committee's policy on reassessing employees' contributions, which has been published previously. This is included in order to have all the Committee's current policy under the new LGPS in one place.

CONTRIBUTION BANDS

Employees are to pay contributions according to the following table based on their whole-time equivalent pensionable pay (salary plus contractual payments) as follows.

Band	Range (2008/09)	Contribution Rate
1	£0 - £12,000	5.5%
2	more than £12,000 – £14,000	5.8%
3	more than £14,000 – £18,000	5.9%
4	more than £18,000 – £30,000	6.5%
5	more than £30,000 – £40,000	6.8%
6	more than £40,000 – £75,000	7.2%
7	more than £75,000	7.5%

These bands will be enhanced by the cost of living (Retail Price Index) each year. Employers have discretion regarding the way employees' pay is reassessed to ensure they are in the correct band. Ashley House Management Committee has resolved the following:

1. At the start of each new financial year,
 - a. If a new pay settlement has been published for the new year, then contributing members will be allocated as from 1 April to the band appropriate for their new rate of pay, otherwise
 - b. Each contributing member's pay as at 31 March will be reviewed, and the member will be placed in the appropriate contribution band for that amount as from 1 April.
2. During each financial year, contributing members whose pay is reducing as a result of a change of grade (voluntary or otherwise) will be allocated to the band that is appropriate for their new pay in the first pay period in which their pay changes. This will not apply to part-time employees whose hours are changed, as contribution banding is based on whole-time equivalent pay.

REGULATION 12 - POWER OF EMPLOYING AUTHORITY TO INCREASE TOTAL MEMBERSHIP OF ACTIVE MEMBERS

Increasing (i.e. augmenting) total membership is a power that employers may use, for example, to attract scarce people with key skills.

Ashley House Management Committee has no intention of making a general use of their power under Regulation 12 but may wish to consider its use in exceptional cases in the future.

REGULATION 13 - POWER OF EMPLOYING AUTHORITY TO AWARD ADDITIONAL PENSION

This regulation allows an employer to resolve to award a member additional pension of not more than £5000 a year payable from the same date as his or her pension payable under any other provisions of the Benefit Regulations.

The Management Committee notes the discretion under Regulation 13 to augment an employee's pension benefits on retirement but has no intention to make general use of this discretionary power. Applications will be assessed individually on their merits, taking into account the best interests of the Hostel.

REGULATION 18 – FLEXIBLE RETIREMENT

Members who have reached the age of 55 and with the employer's consent, reduce the hours they work, or the grade in which they are employed, may make a request in writing to the Avon Pension Fund to receive all or part of their benefits under the Benefits Regulations. However, payment of the benefits cannot be made without the employer's consent.

The Management Committee will accept applications for early release of benefits from employees under Regulation 18 only in cases where it can be demonstrated as being in the Hostel's best interests, or where there are compassionate grounds for early release.

REGULATION 30 – CHOICE OF EARLY PAYMENT OF PENSION

Members who leave an employment before they are entitled to the immediate payment of retirement benefits may, once they have reached the age of 55, choose to receive payment of them immediately.

A choice made by a member aged less than 60 is ineffective without the consent of the employer or former employer.

The Management Committee will accept applications for early release of benefits under Regulation 30 only in cases where it can be demonstrated as being in the Hostel's best interests, or where there are compassionate grounds for early release.

All applications will be considered by the Management Committee. Where the Management Committee approves early release of pension benefits, consideration will be given to actuarial abatement of the benefits in accordance with the Regulations.

These policies were posted on the staff notice-board and copied via email to Avon Pension Fund and all current contributing members on 20 November 2008.