

## Appendix 10

### **The Brandon Trust Policy on Early Retirement From the Local Government Pension Scheme**

New Regulations about the operation of the Local Government Pension Scheme came into effect on 1 April 2008. Regulations 66 sets out that all employing authorities must prepare a written statement of its policy in relation to the exercise of its function under regulations, 12,13,18 and 30. The following 5 sections describe the policy of Brandon Trust.

#### **1. Elections for early payment of benefits [members leaving between the ages of 55\* and 60] (Regulation 30)**

An election by a member aged 55\* or over but under 60 to receive early payment of benefits is not effective without the consent of the employer or former employer.

The benefits are subject to actuarial reduction **unless the member has protected rights and their age and total membership satisfy the rule of 85.**

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

\*N.B. Active members at 31.3.2008 who are aged 50 or over on retirement will also be covered for this policy until 31.03.2010

#### **Details of Policy**

Applications for early release of benefits from employees between the ages of 55\* and 59 inclusive will only be accepted in cases where it can be demonstrated as

(i) being in the best interests of Brandon Trust; or

(ii) where there are compassionate grounds for the early release of pension benefits.

Brandon Trust has resolved not to make use of the discretionary power to waive in whole or in part, on compassionate grounds, the actuarial reduction applied to benefits paid early. Accordingly, in all such cases where the early release of pension benefits is approved, actuarial reduction will be applied to the pension benefits if the sum of the employee's age and pensionable service is less than 85 years.

## **2. Election of employing authority to increase total membership of active members**

### **Increase of the total membership of a member leaving employment at or after the age of 55\* (Regulation 12)**

An employer, subject to paying the cost to the Fund, may resolve to increase the total membership of a member. Total additional membership must not exceed 10 years [including all other employments]

No benefits can be awarded under The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 where either, ill health enhancement has been awarded or additional service awarded under regulation 12 of the 2008 Benefit Regulations.

An employer may have a policy that allows an employee to use the whole of their potential additional compensation for augmentation.

\*N.B. Active members at 31.3.2008 who are aged 50 or over on retirement will also be covered for this policy until 31.03.2010

#### **Details of Policy**

Brandon Trust has resolved not to make use of the discretionary power to augment an employees' pension benefits on retirement.

## **3. Power to award additional pension**

### **Power of employing authority to award additional pension (Regulation 13)**

An employer may resolve to award a member additional pension of not more than £5,000 a year, payable from the same date as his/her pension but such a resolution may only be passed within 6 months of the date he/she became a member.

Employer-purchased additional pension must be paid for by lump sum, the cost is to be determined by guidance from the Government Actuary's Department.

#### **Details of Policy**

Brandon Trust has resolved not to make use of the discretionary power to augment an employee's service within 6 months of joining the scheme.

## **4. Establishment of shared costs AVC Schemes**

### **Establishment of Shared Cost AVC Schemes (Regulation 15)**

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**

Brandon Trust has resolved not to make use of the discretionary power to set up and maintain a SCAVC

## **5. Flexible Retirement**

### **Establish policy on allowing Flexible Retirement under Regulation 18**

An employee aged 55\* or over can apply to take a reduction in hours or grade under regulation 18 [flexible retirement]. The employing authority must have a policy on what grounds they will allow flexible retirement and automatic release of the pension benefits.

\*N.B. Until 31.03.2010, active members at 31.3.2008 who are aged 50 or over on flexible retirement should also be covered by this policy.

### **Details of Policy**

Applications for early release of benefits from employees between the ages of 55\* and 59 inclusive will only be accepted in cases where it can be demonstrated as being in the best interests of Brandon Trust.

Brandon Trust has resolved not to make use of the discretionary power to waive in whole or in part actuarial reduction applied to benefits paid on flexible retirement. Accordingly, in all such cases where the early release of pension benefits is approved, actuarial reduction will be applied to the pension benefits.