

Employer's Discretions under the Local Government Pension Scheme

How the Trust exercises discretion under the Local Government New Look Pension Scheme (LGPS) 2007

Introduction

The general framework of the LGPS is determined nationally by the Department of Communities and Local Government and is set out in legislation. This covers all major aspects of the scheme such as

- Who can join;
- Contribution rates;
- Type and level of benefits;
- When benefits are payable or can be claimed.
- What happens to a leaver's accrued benefits.

Within the legislation, there is provision in specific areas for the employer to exercise discretion over the entitlements of its current or past employees. The employer must publish a written statement of how it intends to exercise such powers.

This document summarises how Clifton Suspension Bridge Trust has decided to exercise its discretionary powers in relation to pension matters.

Power of employing authority to increase total membership of active members (Benefits Regulation 12)

This regulation allows the employer to resolve to increase the total membership of a member who is currently paying contributions to the scheme.

The Trust has no intention of making a general use of this power but may wish to consider its use in exceptional cases in the future.

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

The Trust may resolve to award a member additional pension of not more than £5,000 a year. The Trust has no intention of making use of this power in the foreseeable future.

Members of the Avon Pension Fund may choose to enhance their pension benefits by purchasing additional pension up to a maximum of £5000 (in multiples of £250) by paying Additional Regular Contributions (ARCs). The Trust already makes a significant contribution to the Avon Pension Fund for its employees as determined by an independent Actuary.

Flexible retirement (Benefits Regulation 18)

An employee who is aged 55 or over (50 until 31 March 2010, age 55 from 1 April 2010 and new joiners from 1 April 2008), can request the Trust to allow him/her to access pension benefits whilst still remaining employed by the Trust. This would only be in situations where the employee wishes to reduce hours and/or move to a lower graded post, and must be agreed by the Trust.

The Trust's policy on Flexible Retirement is that an application will only be approved where:-

There are no pension costs to the Trust arising from the employee's flexible retirement. (Pension estimates for Flexible Retirement from Avon Pension Fund will reflect this policy).

The Flexible Retirement will provide benefits to the Trust, for example financial savings or the facilitation of organisational or staffing changes and will not result in any detriment to the level of service.

If the request is to work reduced hours, the Trust's assessment must be that there would be no operational problems caused, or recruitment difficulty anticipated, in making up the reduced hours.

If the request is for a move to a lower graded post, this would be subject to an appropriate vacancy arising and the operation of the Trust's normal recruitment procedures in filling the post.

Given the above policy, it is anticipated that in practice Flexible Retirement will be available only in exceptional circumstances.

Choice of early payment of pension (Benefits Regulation 30)

This regulation allows the Trust to grant the early release of pension benefits for former employees, who had left the Trust before they were entitled to immediate payment of their pension benefits. Such payments will only be granted on exceptional compassionate grounds, but in these circumstances the Trust would consider waiving any reduction in pension benefits to be made in accordance with guidance issued by the Government Actuary.