

PAULTON PARISH COUNCIL

Local Government Pension Scheme

EMPLOYERS' DISCRETIONS ADOPTED 8 JULY 2008

Discretions on which Employers must make Policies and publish such Policies

Each employer must prepare a written statement of its policy in relation to the exercise of its functions under the following Benefit Regulations:

- regulation 12 (power of employing authority to increase total membership of active members),
- regulation 13 (power of employing authority to award additional pension),
- regulation 18 (flexible retirement),
- regulation 30 (choice of early payment of pension)

The statement must be published to members of the LGPS and copied to the Avon Pension Fund

An employer must::

- keep its statement under review
- make appropriate revisions following a change in its policy

Power of employer to increase total membership of an active member (Benefits Regulation 12)

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

Paulton Parish Council 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 Council may resolve to award a member additional pension of not more than £5,000 a year. With the exception of early retirements, the Council 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). Paulton Parish Council has purchased AVCs and will review future requests for ARCs as and when they occur.

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 Council to allow him/her to access pension benefits whilst still remaining employed by the Council.

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 Council.

Paulton Parish Council's policy on Flexible Retirement is that an application will only be approved where:-

- There are no pension costs to the Council arising from the employee's flexible retirement
- The Flexible Retirement will provide benefits to the Council
- If the request is to work reduced hours, the Council'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 Council's normal recruitment procedures in filling the post.

Choice of early payment of pension (Benefits Regulation 30)

When a member leaves an employment before he /she is entitled to the immediate payment of retirement benefits, once he / she has attained the age of 55 he / she may choose to receive payment of them immediately.

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

If the benefits are reduced in accordance with guidance issued by the Government Actuary, the employer may agree to waive, in whole or in part, any such reduction. Paulton Parish Council has no intention of making general use of the power to waive part or all of such reduction but may wish to consider its use in exceptional cases in the future.

The following further Discretionary Policies are also adopted by Paulton Parish Council

Extending the time limit for members to pay contributions following a period of absence - Regulation 22 - Administration

A scheme member may elect to pay **optional contributions** to cover a period of absence from duty providing the option **is** made within 30 days of return to work/cessation of employment or such longer period as Paulton Parish Council allows based on individual circumstances.

Exclusion of rights to a return of contributions - Regulation 47 - Administration

A scheme member who meets the normal criteria for a refund of pension contributions is not entitled to such a refund if he / she left his / her employment because of:

- a) **an offence of a fraudulent character** – unless Paulton Parish Council directs that a total or partial refund may be made to the member.
- b) **grave misconduct** - unless Paulton Parish Council directs that a total or partial refund may be made to the member, his / her spouse, civil partner, nominated cohabiting partner or any dependant of his / her.

Forfeiture of pension rights after conviction of employment-related offences - Regulation 72 & 73 - Administration:

If a scheme member is convicted of, and ceases employment as a result of, an **offence** in connection with his/her employment which was gravely injurious to the State or liable to lead to a serious loss of confidence in the public service, Paulton Parish Council can apply to the Secretary of State for the issue of a forfeiture certificate. If a certificate is issued Paulton Parish Council may direct that any of the person's **rights be forfeited**.

Interim payments directions – Regulation 73 - Administration

Where the Secretary of State has issued a forfeiture certificate but the employer has not applied the certificate nor notified the scheme member of an award of benefits under the LGPS the employer may direct that **interim payments** are made out of the Pension Fund until such time as it decides to apply the forfeiture certificate or to make an award of benefits

Recovery or retention where former member has misconduct obligation - Regulation 74 - Administration:

Where a member

- (i) ceases employment in consequence of a criminal, negligent or fraudulent act or omission in connection with that employment and
- (ii) has incurred a **monetary obligation** arising therefrom to the employer and
- (iii) **is entitled to pension benefits** under the LGPS, the employer **may recover** the amount of the monetary obligation or the value of the members pension rights, if less (other than transferred in pension rights) from the Pension Fund and reduce the members benefits accordingly.

Transfers of sums from the pension fund to compensate for member's misconduct – Regulation 76 - Administration:

Where

- (i) a member ceases employment in consequence of an offence involving **fraud or due to grave misconduct** in connection with that employment, and
- (ii) the employer has suffered **a direct financial loss** resulting therefrom, and
- (iii) the member **is entitled to benefits** under the LGPS and a forfeiture certificate has been applied, or the member is entitled to a refund of pension contributions

the employer may direct that the amount of the direct financial loss (or the refund of contributions, if less) be recovered from the Pension Fund.

Inward transfers of pension rights – Regulation 83(8):

If a scheme member wishes to **transfer pension rights** into the LGPS he/she must opt to do so **within 12 months of joining the LGPS or such longer period as the employer may allow.**

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. Employees will be reassessed at the 1 April annually to determine any re-allocation to a new band is necessary.

For ease of administration and implementation and to ensure a fair and consistent transition to the new rates, Paulton Parish Council, has determined the following arrangements will apply for 2008/09.

- a. Existing Scheme members will be placed into one of the above bands on the basis of their actual pensionable pay as at 1 April 2008.
- b. New joiners to the Scheme on or after 1 April 2008 will be placed into a band based on their known pensionable salary as at their date of joining the Scheme.
- c. Scheme members, who have an increase in salary part way through the year as a result of a change in post or regrading that takes them into a higher band, will be moved into the higher band.
- d. Scheme members, who have a decrease in salary that places them in a lower band, will be moved to the lower band. This will not apply to someone who has a reduction in salary through working fewer hours as their whole-time equivalent pay will not have changed.
- e. In both c) and d) the changes will be effective from the date of the change in pensionable pay.
- f. The contribution band for a part-time employee will be assessed with reference to their whole-time equivalent pay, normally based on a 37 hour week.
- g. Paulton Parish Council reserves the right to amend arrangements c, d and e in exceptional cases in the future.