



Discretionary policies under Local Government Pension Scheme (LGPS) 2007 Regulations

The revised Local Government Pension Scheme (LGPS) which came into effect on the 1st April 2008 includes a requirement to have in place written policies outlining how Shaw Healthcare (North Somerset) Ltd will exercise the following discretionary powers:

Regulation (12): Power of employing authorities to increase total membership of active members by up to 10 years.

Policy:

Augmented membership would not normally be granted under regulation 12.

Regulation (13): Power of employing authorities to award additional pension of up to £5,000 per year.

Policy:

Additional pension benefits would not normally be granted under regulation 13.

Regulation (18): concerning flexible retirement options. At present, an employee taking flexible retirement must take all of their pension. When the new regulations come into force; *“A member who has attained the age of 55 and who, with his employer’s consent, reduces the hours he works, or the grade in which he is employed, may make a request in writing to the appropriate administering authority to receive all or part of his benefits under these Regulations”*, which is a similar regulation to that introduced for teachers last year.

Policy:

In accordance with Shaw Healthcare (North Somerset) Ltd’s policy on Flexible Retirement, an application will only be approved where there are no pension costs to Shaw Healthcare (North Somerset) Ltd arising from the employee’s flexible retirement.

Regulation (30): early payment of pension benefits, continuation of existing early retirement policies.

Policy:

Regulation 30 allows Shaw Healthcare (North Somerset) Ltd to agree to the early release of pension benefits for former employees, who had left the authority before they were entitled to immediate payment of their pension benefits. Such payments should only be granted on exceptional compassionate grounds, but in these circumstances their pension benefits should not be reduced because of the early payment.

These policies ensure that Shaw Healthcare (North Somerset) Ltd is not exposed to unnecessary pension costs.