

## **WEST DEVON BOROUGH COUNCIL**

### **The Local Government Pension Scheme Regulations 2013 and The Local Government Pension Scheme (Transitional Provisions & Savings) Regulations 2014**

Policy effective from: 22 July 2014

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## Regulation R16(2)e and R16 (4)(d)

### Shared Cost Additional Pension Scheme

An employer can choose to pay for or contribute towards a member's Additional Pension Contract via a Shared Cost Additional Pension Contract (SCAPC)

**The policy of the Council is not to fund, in whole or in part, an employee's Additional Pension Contributions.**

## Regulations 30(6) and B18

### Flexible Retirement

Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade.

**The policy of the Council is to agree to individual applications for flexible retirement where there are no financial costs to the Council and there is no detrimental effect on service delivery and in accordance with the Council's Flexible Retirement policy.**

In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights.

## Regulation 30(8)

### Waiving of actuarial reduction

Where a scheme employer's policy under regulation 30(6) (flexible retirement) is to consent to the immediate release of benefits in respect of an active member who is aged 55 or over, those benefits must be adjusted by an amount shown as appropriate in actuarial guidance issued by the Secretary of State (commonly referred to as actuarial reduction or early payment reduction). Employers have the power to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members benefits paid on the grounds of flexible retirement.

**The policy of the Council is that a decision to waive any actuarial reduction in the case of flexible retirement will only be considered where there will be a financial or other benefit to the employer or, in very exceptional circumstances, on compassionate grounds.**

Employers may also waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members' benefits for deferred members and suspended tier 3 ill health

**The policy of the Council is that a decision to waive any actuarial reduction in the case of deferred members and suspended tier 3 ill health pensioners who elect to draw benefits on or after age 60 and before normal pension**

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pensioners who elect to draw benefits on or after age 60 and before normal pension age.

Employers also have the power to waive, in whole or in part, the actuarial reduction applied to active members' benefits when a member chooses to voluntarily draw benefits on or after age 55 and before age 60.

**age will only be considered where there will be a financial or other benefit to the employer or, in very exceptional circumstances, on compassionate grounds.**

**The policy of the Council is that a decision to waive any actuarial reduction in the case of an active member who chooses to voluntarily draw benefits on or after age 55 and before age 60 will only be considered where there will be a financial or other benefit to the employer or, in very exceptional circumstances, on compassionate grounds.**

## **Regulation 31**

### **Award of additional pension**

A scheme employer may resolve to award an active member or a former active member if it is within 6 months of a dismissal by reason of redundancy or business efficiency, an additional annual pension of not more than the additional pension limit. The pension limit is increased each April under the Pensions (Increase) Act 1971). The limit at 1<sup>st</sup> April 2014 is £6,500.

The Council has the option of awarding an additional pension to an employee who would otherwise be eligible for a lump sum compensation payment under the Council's Discretionary Compensation policy, as formulated in the Council's Redundancy and Interest of Efficiency policy. Where the employee agrees to forgo the lump sum payment (in excess of any statutory redundancy compensation) that would otherwise have been paid, the Council could award additional pension actuarially equivalent in value to the lump sum compensation payment, provided that the additional annual pension would not exceed the statutory limits.

**The policy of the Council is that it does not use the discretion to award additional pension, including in circumstances where an employee would agree to forego a lump sum payable under the Council's Discretionary Compensation policy.**

## **Regulation B12**

### **Power to increase total membership of active members**

An employer may agree to increase the total

**The policy of the Council is that it does not**

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membership of an active member who is leaving on grounds of redundancy or in the efficiency of the service on or before 31st March 2014. The maximum award (including additional membership in respect of different employments) must not exceed 10 years.

An employer may also agree to award augmented service to a member up to 6 months after they have left employment provided that their termination of employment was on grounds of redundancy/efficiency and date of leaving was before 1st April 2014.

NB This is a time limit discretion which expires on 30th September 2014 for those whose employment is terminated on 31st March 2014.

**exercise its power to increase total membership of the scheme.**

## **Regulation TP Schedule 2**

### **Power to 'switch on' the 85 Year Rule**

Where a scheme member retires or leaves employment and elects to draw their benefits at or after the age of 55 and before the age of 60, those benefits will be actuarially reduced unless their scheme employer agrees to meet the full or part cost of those reductions by 'switching on' the 85 year rule protections thereby allowing the member to receive fully or partly unreduced benefits but subject to the Scheme employer paying a strain (capital) cost to the Pension Fund.

Note: Where a scheme member retires or leaves employment and is over the age of 60 and meets the 85 Year Rule, their benefits are released without actuarial reduction and there is no cost to the Council.

**The policy of the Council is that a decision to 'switch on' the 85-year rule (for scheme members aged between 55 and 60) is only made where there would be a financial or other benefit to the Council.**

## **Regulation B30**

### **Choice of early payment of pension**

A scheme employer may allow the early payment of deferred benefits to former members of the LGPS between the ages of 55 and 59.

**The policy of the Council is that a decision to allow the early release of deferred benefits to former members of the LGPS who are aged 55 and 59 will only be considered where there will be a financial or other benefit to the employer or, in very exceptional circumstances, on**

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compassionate grounds.

## Regulation B30A

### Reinstatement of suspended tier 3 ill health pension

A scheme employer can grant an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60. In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights.

**The policy of the Council is that a decision to grant an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60 will only be considered where there will be a financial or other benefit to the employer or, in very exceptional circumstances, on compassionate grounds.**

Singed on behalf of West Devon Borough Council

Date

Print name of authorised officer

Job Title