

Adderbury Parish Council

Local Government Pension Scheme Employer's Pensions Discretions Policy

LGPS 2014 Scheme

Employing Authority Discretions Under

- The Local Government Pension Scheme (Administration) Regulations 2008 (as amended) (Prefix A below)
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2009 (as amended) (Prefix B below)
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (as amended) (Prefix T below)
- The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended) (Prefix D below)

(*) In the following table beside a regulation denotes the discretions where the employer is required to have a policy statement under the regulations

Pursuant to Regulation 66(5) of the Local Government Pension Scheme (Administration) Regulations in preparing or reviewing and revising this statement the Employer has had and will have regard to the extent to which the exercise of any of the functions in accordance with its policy could lead to a serious loss of confidence in the public service.

Policy statement prepared and submitted by: Adderbury Parish Council

Date: January 2026

To be reviewed: January 2027

1: Summary of MANDATORY discretions affecting Active members and Leavers on and after 2 April 2014

Discretion required	Background and points to consider	Employer's decision (to be completed by employer)	Tick <input checked="" type="checkbox"/>
Will the employer grant extra annual pension? <u>2013 LGPS Regulation 31</u>	<ul style="list-style-type: none"> Employer can pay the fund to increase the member's pension up to an additional £7,579 a year (April 2023 rate). Can be granted to an active member, or within 6 months of someone leaving on redundancy or business efficiency. Full cost is with the employer. 	Adderbury Parish Council will grant extra annual pension.	
Will the employer share the cost of purchasing additional pension (SCAPC) with a member? <u>2013 LGPS regulation 16(2) and (4)</u>	<ul style="list-style-type: none"> When an active member elects to buy additional pension by extra contributions, the employer can voluntarily contribute towards this. Under what circumstances might the employer do so? Do not confuse with restoring lost pension after approved absence when employer must share 2/3rds cost. 	Adderbury Parish Council will share the cost for a member's purchase for additional pension.	
Will the employer permit flexible retirement? <u>2013 LGPS regulation 30(6)</u>	<ul style="list-style-type: none"> Members aged at least 55, with agreement of their employer, may reduce their hours or grade and take payment of their pension benefits. (Member stays in fund in ongoing employment) Member has the choice on taking all, part or none of post 31 March 2008 benefits. Early payment may mean pension is reduced for the member, but the employer can waive the reduction completely or in part. (Full cost is with the employer.) Some members may have protected rights to unreduced pension, which would increase employer costs. 	There are several parts to this discretion which should be included: Adderbury Parish Council will agree flexible retirement arrangements Adderbury Parish Council will waive any pension reductions.	

Discretion required	Background and points to consider	Employer's decision (to be completed by employer)	Tick <input checked="" type="checkbox"/>
	<ul style="list-style-type: none"> Always seek guidance on costs from Pension Services. 		
<p>Will the employer switch back on '85-year rule' protections?</p> <p><u>2014 Transitional Provisions regulations Sched 2</u></p>	<ul style="list-style-type: none"> Unlikely to apply when membership only starts from 1 April 2014 with no linked previous membership. This rule only applies automatically to members voluntarily retiring from age 60 but the employer has the discretion to "switch it on" for voluntary retirements between age 55 and 60. Full cost is with employer. 	<p>Adderbury Parish Council has no pre 2014 liabilities and this regulation will not apply.</p>	
<p>When would the employer waive actuarial reductions to benefits being drawn on early voluntary retirement?</p> <p><u>2013 LGPS regulation 30(5)</u></p>	<ul style="list-style-type: none"> Pensions taken early, voluntarily, are reduced but the employer can waive the reductions at their own cost. Waiver can apply from active, from deferred status and from deferred tier 3 ill health retirees, between age 55 and normal pension age. Employers should be clear in their policy on how this could apply and under which circumstances. For post 2014 membership there is no longer the requirement to satisfy compassionate grounds to release pension early. Ideally your policy should include under what circumstances you would consider waiving reductions (if appropriate). 	<p>Adderbury Parish Council will not consider applications to waive actuarial reduction for early voluntary retirement from active members.</p> <p>Adderbury Parish Council will not consider applications to waive actuarial reductions made by members with deferred pensions etc.</p>	

2. Summary of recommended discretions (not Mandatory) affecting Active members and Leavers on and after 2 April 2014

An employer has discretion to exercise in these areas	Background and points to consider	Employer's decision (to be completed by employer)	Tick <input checked="" type="checkbox"/>
Employer to determine who will join the scheme (Admitted and Designated Bodies) 2013 LGPS regulation 2	<ul style="list-style-type: none"> Admitted and Designated bodies - Committee minutes / admission agreement must specify who will be eligible to join the scheme - either by the name, or by type of employment and from which date. Scheduled Bodies including county, district councils, FE colleges, academies, university must follow LGPS regulations. Admission is not discretionary. 		
Employer to determine member contribution band and terms of review. This decides the member contribution rate. 2013 LGPS regulations 9/10	<ul style="list-style-type: none"> On joining and every April the employer should allocate the member's contribution band The policy should show if the allocation would change mid-year following a material change in pay. Inform member of your process. Ideally members' contracts should specify what other pay and benefits are pensionable. 	Adderbury Parish Council will review employee contribution band every April and will not generally review mid-year following a material change to pay.	
Will the employer extend time limits for members to make decision on transfer of pension rights from an approved pension scheme? 2013 LGPS regulation 100(6)	<ul style="list-style-type: none"> The member has 12 months from first joining the LGPS in that employment to receive details, seek advice and make decision on transfer. There may be reasons for delays out of the member's control. Employer may want to seek advice on any potential financial cost from Pension Services before approving request to extend deadline. 	Adderbury Parish Council will, with the agreement for the Pension Fund, agree to an extension of 3 months if approved by the Parish Council beyond the deadline on submission of evidence.	

An employer has discretion to exercise in these areas	Background and points to consider	Employer's decision (to be completed by employer)	Tick <input checked="" type="checkbox"/>
Will the employer extend the time limit for members to NOT link (aggregate) their LGPS memberships? <u>2013 LGPS regulation 22(7)+(8)</u>	<ul style="list-style-type: none"> • A member joining after April 2014 who has previous LGPS membership can elect to keep pension records separate but this must be done within 12 months of starting in that employment. • Without the written election pension records will be linked together. • There may be reasons for delays out of the member's control. 	Adderbury Parish Council will extend the time limits the member has to make an election to keep pension records separate, by three months if approved by the Parish Council.	
Will the employer extend the time limit for members to link (aggregate) their LGPS memberships? <u>Amendment LGPS regulations 2018 27 and TP 2014 Regulations 10</u>	<ul style="list-style-type: none"> • For those joining scheme again after May 2018 but who were in the scheme during March/April 2014 and have previous deferred benefit - aggregation will not be automatic, • If they wish to aggregate they must have written election within 12 months. • The employer may allow a later election. 	Adderbury Parish Council will, with the agreement for the Pension Fund, agree to an extension of three months, if approved, by the Parish Council beyond the deadline on submission of evidence.	
Will the employer contribute to Shared Cost Additional Voluntary Contributions (SCAVC)? <u>2013 LGPS regulation 17</u>	<ul style="list-style-type: none"> • Whether, how much and in what circumstances will the employer contribute to the SCAVC arrangement. • It is recommended to consult with Pension Services on any payroll / benefit implications before setting this up. 	Adderbury Parish Council will contribute to SCAVC arrangement.	
Will the employer include regular lump sums when assessing value for Assumed Pensionable Pay (APP)? <u>2013 LGPS regulation 21</u>	<ul style="list-style-type: none"> • When calculating APP, if in the twelve months before the member would have ordinarily received a lump sum payment, will the employer use this in the APP calculation. • NB separate calculations are required if member dies in service or retires on ill health even if APP already assessed for monthly returns. 	Adderbury Parish Council will, when appropriate, add back the regular lump sum payment to provide the assumed pensionable pay figure: *when on reduced pay during child related leave *reserves forces leave *no or reduced pay during sickness or injury *retirement on tier 1 or tier 2 *death in service.	

An employer has discretion to exercise in these areas	Background and points to consider	Employer's decision (to be completed by employer)	Tick <input checked="" type="checkbox"/>
	<ul style="list-style-type: none"> employer should state in their policy how checks will be made and how member and fund are informed. 		
Will the employer substitute a higher value of pensionable pay when assessing APP ? 2018 amendment regulations 7	<ul style="list-style-type: none"> An employer may substitute a higher pensionable pay if, in their opinion, the value assessed by APP is materially lower than member would ordinarily have received in the previous year. This could occur during child related leave, reduced on no pay sickness etc and be used for ill health retirement on tier 1 or 2, death in service. 	Adderbury Parish Council will consider substituting a higher value of pay in place of APP. .	
Will the employer extend the time limit for a member to decide to restore lost pension by shared cost additional pension contributions (SCAPC) after a period of no pay (other than due to sickness or paid child related leave.)? <u>2013 LGPS regulation 16(16)</u>	<ul style="list-style-type: none"> After a period of approved unpaid leave, a member has 30 days from their return to work to receive information to enable election for (SCAPC) shared cost additional pension contribution, to restore lost pension. employer must provide lost pay details and advise member of opportunity. employer <u>must</u> share costs when the election is made within the time limits stipulated. Increasing time limit would allow for any delays in administration process. 	Adderbury Parish Council will only extend deadlines beyond 30 days of return to work when application shows good reason for the delay in decision. Any extension must not exceed 30 days from return to work and decision will be made by Adderbury Parish Council.	

3: Other MANDATORY provisions to be included in a policy, under different regulations and which can apply to active employees regardless of LGPS membership

An employer has discretion to exercise in these areas	Background and points to consider (shaded sections are mandatory)	Employer's decision	Tick <input checked="" type="checkbox"/>
<p>Will the Employer make an injury award to compensate for loss of</p> <p>a) pay, or b) job, or c) death due to injury or disease sustained at work?</p> <p><u>Regulation 3-7 of the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 employers (LGPS employers)</u></p>	<ul style="list-style-type: none"> Under what circumstances, for how much and for how long would an employee be compensated if in performing their duties they sustain injury or disease leading to loss of pay, employment or death? Injury award could apply to all employees regardless of LGPS membership. All costs rest with employer. 	<p>Adderbury Parish Council will not set up an injury award scheme under these regulations.</p>	
<p>Will the employer pay enhanced redundancy payments and /or compensation for loss of employment on redundancy?</p> <p><u>Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006</u></p>	<p>1) in the event of a redundancy, when weekly pay is higher than the relevant statutory weekly pay, which would the employer use to assess redundancy payment? (Regulation 5)</p> <p>2) an employer can make a termination payment of up to 104 weeks' pay to an LGPS member or someone eligible to be a member when leaving due to redundancy, efficiency or cessation of a joint appointment. Cannot use this if you are awarding additional pension under 2013 LGPS regulation 31.</p> <p>Neither 1 nor 2 are funded - all at employer cost.</p>	<p>1) Adderbury Parish Council will base redundancy pay on actual pay when greater than the 'statutory week's pay' for a redundancy payment.</p> <p>2) Adderbury Parish Council will award termination compensation lump sum of 52 week's pay following redundancy etc to anyone or specify occasion when consideration is possible, subject to approval of the Parish Council.</p>	

4: Summary of MANDATORY discretions to be exercised on and after 1 April 2014 (as at 14 May 2018) in relation to members (excluding councillor members) who ceased active membership between 1 April 2008 and 31 March 2014

Occasionally an employer will receive request from a former employee who left the employment and the LGPS under earlier pension scheme regulations. The following table shows the mandatory discretions under different regulations according to the leaving date. These are all mandatory.

Where bodies have amalgamated, or services transferred check on your level of inherited responsibility to ensure you include the right category.

If this Section does not apply to you, please indicate here **N/A**

An employer has discretion to exercise in these areas	Background and points to consider	Employer's decision	Tick <input checked="" type="checkbox"/>
Will employer switch on '85-year rule' protections for early payment of deferred benefit? Request made from May 2018 LGPS Administration Regulations 2018 66 and sched 2 of 2014 TP Regulations	<ul style="list-style-type: none"> Early payment of a deferred benefit – on and after May 2018, for those between ages 55-60 does not automatically carry the 85-year rule protection to unreduced pension. The opportunity to request early payment of DB for those in this age group only available from May 2018. Before then, agreement to early payment before age 60 required protection of 85-year rights and full employer costs. Costs fall to the employer, ask Pension Services for estimate for decision process. 	XXX will not /will consider applications to switch on 85-year rule to provide early unreduced pension to former scheme members. Ideally, include details you need from the member to make the decision, if appropriate XXX will not consider applications to waive actuarial reductions made by members with deferred pensions under any circumstance etc.	
Will you 'switch on' the 85-year rule upon the voluntary early payment of a suspended tier 3 ill health pension? from 14 May 2018 LGPS Administration Regulations 2018 66 and sched 2 of 2014 TP Regulations	<ul style="list-style-type: none"> Background, points and costs like those in line above – introduced from May 2018 for post 2014 leavers with suspended tier 3 pension. Costs fall to the employer, ask Pension Services for estimate for decision process. 	XXX will not /will consider applications to switch on 85-year rule to provide unreduced pension paid early on request to former scheme members after the third-tier ill health pension has ceased, and voluntary request made for early payment between from age 55-60 XXX will not consider applications to waive actuarial reductions made by members with deferred pensions under any circumstance etc.	
Will the employer waive actuarial reductions due to	<ul style="list-style-type: none"> The additional costs rest with the employer, waiving the reduction for early payment is for the lifetime of 	XXX will not /will consider applications to waive actuarial reduction for early pension payments.	

An employer has discretion to exercise in these areas	Background and points to consider	Employer's decision	Tick <input checked="" type="checkbox"/>
<p>compassionate grounds for early payment of deferred pension - before age 65? <u>LGPS regulations 2007 30(5)</u></p> <p>Sched 2 of TP regulations 2014</p>	<p>the pension. Apply to Pension Services for details of costs.</p> <ul style="list-style-type: none"> • Ideally include details required you need to make the decision • Include where to present the request. • Notes for the release of pension early for post 14 members could also be read here. • Can apply for member with DB or with suspended tier 3 ill health pension, left scheme before 1.4.2008. • Compassionate grounds is only reason for waiving reduction. 		

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5: Summary of MANDATORY discretions to be exercised on and after 1 April 2014 (for requests made from 14 May 2018) in relation to members (including councillor members) who ceased active membership between 1 April 1998 and 31 March 2008

1. Will the employer waive reductions on compassionate grounds for an early voluntary payment of pension?
2. Will the employer switch on the 85-year rule for early payment of DBs requested between ages 55-60?
3. Will the employer permit early payment of benefit from age 50 and under 55 (always check on the tax situation as may result in unauthorised payment charge)?

Contact Pension Services for cost estimates. Please refer to the tables above for points to consider and the LGA www.lgpsregs.org guide to Employer Discretions provide more detailed reference.

If you are a new employer, and this Section does not apply to you, please indicate here N/A

A note about Councillors / elected members: Although elected members may not now join the LGPS in England, this fund does hold the deferred pensions for former councillors from some Districts and the County Council. Authorities enabling the elected members to join should have the 3 mandatory policy areas above prepared for leavers between 1 April 1998 and 31 March 2008 (effective from 14 May 2018).

6: Summary of the MANDATORY discretions to be exercised on and after 1 April 2014 (as at 14 May 2018) in relation to members (excluding councillor members) who ceased active membership before 1 April 1998

An employer has discretion to exercise in these areas	Background and points to consider (shaded sections are mandatory)	Employer's decision	Tick <input checked="" type="checkbox"/>
Will the employer grant early payment of deferred benefit on compassionate grounds? LGPS regulations 1995 (Transitional Provisions 1997 2)	<ul style="list-style-type: none"> There is an employer cost involved in agreeing to early payment from age 50 and HMRC charge for unauthorised payment. You should include details required you need to make the decision. 	XXX will not /will consider applications to waive actuarial reduction for early voluntary retirement from members with deferred pensions.	

If this Section does not apply to you, please indicate here N/A

7: Summary of the **MANDATORY** discretions to be exercised under the 2000 Discretionary Regulations

These regulations still apply as benefits have been awarded in the past for certain leavers before 1 April 2007. Employers, (most likely to be County, District Councils and Oxford City) using these in the past should maintain **mandatory** policies on:

- Reduction or suspension of annual compensation (added years) during periods of re employment in local government and after leaving and having opportunity to re-join the LGPS (even if doesn't) what level of pension abatement to apply
- If survived by more than one civil partner or spouse how will the pension be apportioned
- Whether to suspend spouse or civil partner pension during periods of re marriage/ partnership or cohabitation
- Whether to reinstate spouse or civil partnership added year's compensatory pension after remarriage etc has ended
- Would children's pension be payable under compensatory regulations when not under LGPS main scheme?

If this Section does not apply to you, please indicate here _____ N/A_