

The LGPS Pension Regulations require a written Statement of Policy on a number of discretionary decisions that can be taken. In developing this policy serious consideration of the extent to which the exercise of these discretionary powers could lead to the loss of confidence in public services has taken place; and recommendations made accordingly.

Below is a table detailing the items that we must include, and a summary of the proposed approach:

<b>The discretions are whether to:</b>	<b>Decision to consider</b>		<b>Policy reference</b>
Grant extra annual pension	Can grant up to £6,500 extra annual pension to employees who are redundant or leaving on grounds of efficiency Full cost to employer CPI increase annually	Not recommended	4.4
Contribute to a Shared Cost AVC Scheme (SCAVC)	Employer can contribute towards an AVC to purchase extra pension for employee Max £6,500 pension per annum CPI increase	Not recommended unless the Council is required to contribute under the LGPS rules	4.4
Permit Flexible Retirement	Whether to permit flexible retirement where an employee reduces hours or grade, and draws pension benefits	Recommended : Maintain existing scheme Both Councils have a scheme in place enabling flexible retirement subject to any pension strain (costs incurred) being recovered within two years Also subject to no overall increase in income to the employee; and a reduction in salary of no less than 40%	5.2
Switch back on the 85 year rule	Council can choose to waive actuarial reduction where rule of 85 is met for those who choose to retire between 55 and 60	Not recommended unless it is in the Councils' interests to do so Not recommended for deferred pensioners	5.1  5.5
Waive actuarial reductions	Whether to waive in whole or in part any actuarial reduction, employer meets cost of pension strain	Not recommended unless in the interest of the council to do so	5.1 5.2

Grant applications for the early payment of deferred pensions (2008 scheme)	Whether to agree to early payment on grounds of severe ill-health (i.e. meet the criteria for an ill-health retirement)	Recommendation – if ill-health retirement criteria met, payment of pension benefits can be authorised	5.5
Waive actuarial reduction to deferred benefits on compassionate grounds (2008 scheme)	Whether to waive actuarial reduction at cost to the council	Not recommended	5.5
Injury Allowance (Discretionary Payments Injury Allowances Regulations 2011) To make an award to those who sustain an injury or contract a disease resulting in loss of pay, employment or whom die.	To make an award to those who sustain an injury or contract a disease resulting in loss of pay, employment or whom die.	Not recommended	6

Additional Pension Discretions and information included in the Policy (no legal requirement)

<b>The discretions are whether to:</b>	<b>Decision to consider</b>		<b>Policy Reference</b>
Extend the 12 month time limit for transferring pension rights into the LGPS		Recommendation : in exceptional circumstances to be authorised in agreement with the Administering Authority	7.3
Extend the 12 month time limit for a member to retain separate benefits		Recommendation : in exceptional circumstances only	7.2 7.1
Criteria for Flexible Retirement		Recommendations: Cost repayable within 2 years Reduction in salary of not less than 40% Limit on total income	
Redundancy		Recommendation: No re-employment within 3 years	