

POLICY IN RELATION TO THE EXERCISE OF DISCRETIONS UNDER THE LOCAL GOVERNMENT PENSION SCHEME

The City Council has produced the following policy statement as required by the Local Government Pension Scheme (LGPS).

EMPLOYER DISCRETIONS

1. Early Release of Pension Benefits

- 1.1 The LGPS provides for a normal retirement age of 65. Employees who are members of the LGPS may retire at age 60 and over without permission. Retirements below age 60 require permission from the City Council.
- 1.2 An employee who opts to retire at or after age 60 but before the normal retirement age of 65 will have their pension benefits reduced on an actuarial basis to take account of the fact that pensions will be drawn earlier and for longer. The City Council is unlikely to agree to ignore the actuarial reduction. (Note that there are protections available under the old '85 year rule' for employees who were members of the LGPS before 1 October 2006.)
- 1.3 Where permission to retire is required, the Chief Executive will consider requests for early retirement for staff below second tier level¹⁷ once a business case has been made that shows what possible net savings would be made taking into account the potential costs on the pension fund, the needs of the service and whether there would be operational benefits to be made that would facilitate a re-organisation.

2. Power of employing authority to increase membership

Decisions on whether to grant extra Scheme membership below second tier level will be delegated to the Chief Executive supported by a business case. Decisions to grant extra Scheme membership for first and second tier officers shall be made at the discretion of the Appointments and Conditions of Service Committee supported by a business case.

3. Power of employing authority to award additional pension

Decisions on whether to award additional pension below second tier level will be delegated to the Chief Executive supported by a business case. Decisions to award additional pension for first and second tier officers shall be made at the discretion of the Appointments and Conditions of Service Committee supported by a business case.

4. Shared Cost AVC Facility

The City Council will not consider making contributions to a shared cost AVC facility without a further report to the Appointments and Conditions of Service Committee.

5. Time Limits for Converting AVC's

Employees have 30 days to decide whether to convert in-house AVC's to a service credit within the pension fund when retiring on ill-health grounds.

7. Returning to Work Following Unpaid Leave

¹⁷ Discretionary decisions in respect of first and second tier officers can only be taken by the Appointment and Conditions of Service Committee.

Employees will have three months after returning from a period of absence to decide whether they wish to pay additional contributions for that period of absence.

9. Widowers' Pensions

The City Council considers that in the interests of fairness and equality, all female contributors will be given credit for pensionable service accrued between 1972 and 1988 and to count this towards a widower's pension.

10. Transfers in of Earlier Periods of Service - Late Applications

10.1 A request for a transfer of previous pension rights from another scheme or previous service within the LGPS or arrangement into the LGPS must be made within 12 months of joining/re-joining the scheme.

10.2 The City Council's policy is to accept transfers in applied for outside the period of 12 months, provided that, at the time the transfer is being considered, there is no cost to the Council.

11. Flexible Retirement

The City Council's Policy on Flexible Retirement is set out in the People Management Handbook.

12. Double Entitlement

The City Council will if the need arises choose the most appropriate entitlement for an employee who is leaving the Council if they had not already done so.

13. Contributions

The City Council will decide any question about what contribution rate a member is liable to pay on their first joining the Scheme, on 1 April each year, and upon each subsequent contractual pay change that affects their contribution banding.
