



Local Government Pension Scheme 2014

Statement of Policy on discretions for:

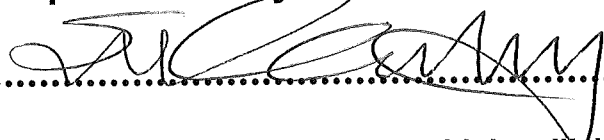
****Employer Name: Cheltenham Borough Council**

****Applicable/Operative Date: June 2014**

****Completed/Authorised By: Julie McCarthy**

****Position: HR Manager**

****Date Completed: July 2014**

Signed: 

**** PLEASE ENTER ABOVE DETAILS, which will be replicated onto each page of the document when it is printed, and complete the declaration below. Once completed and printed, please ensure the Policy is signed by a person suitably authorised to do so ****

The Local Government Pension Scheme Regulations require an Employer to prepare and keep under review, a written statement of its policy in relation to the exercise of its discretion under a number of provisions of the Regulations.

Similarly, there are a number of discretions under the Regulations which although not specifically requiring a written policy, would benefit from employers doing so, thereby demonstrating and ensuring a fair and consistent approach amongst its scheme members

This template document has therefore been prepared to assist employers in preparing a "Policy Statement". A brief description of each discretion has been included together with confirmation of whether a written policy is "Compulsory" or "Recommended".

Statement of Policy about exercise of discretionary functions in relation to the Local Government Pension Scheme

Employer Name: Cheltenham Borough Council

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PART A – Formulation of COMPULSORY policies in accordance with the 2014 Local Government Pension Scheme Regulations

1. Award of Additional Pension (Regulation 31 (R))

Whether to award (*at full cost to the employer*)

- (a) an active member, or
- (b) a member who was an active member but dismissed by reason of redundancy, or business efficiency, or whose employment was terminated by mutual consent on grounds of business efficiency,

additional annual pension of, in total (*including any additional pension purchased by the Scheme employer under Regulation 16*) not more than the additional pension limit of £6,500 (*value of limit @ 1st April 2014*).

In the case of a member falling within sub-paragraph (b) above, the resolution to award additional pension must be made within 6 months of the date that the member's employment ended.

1. The Council will not apply this discretion

2. Additional Pension Contributions (Regulation 16 (R))

Whether to fund in whole or in part, any arrangement entered into by an active scheme member to pay additional pension contributions by way of regular contributions in accordance with Regulation 16(2)(e), or by way of a lump sum in accordance with Regulation 16(4)(d).

2. The Council does not fund an employees APCs

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Position: **HR Manager**

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there will be a financial or other benefit to the employer.

PART B – Formulation of RECOMMENDED policy in accordance with the Local Government Pension Scheme Regulations 2013

6. Contribution Banding (Regulations 9(1) & 9(3) (R))

** How the pension contribution band to which an employee is to be allocated on joining the Scheme, and at each subsequent April, will be determined and the circumstances in which the employer will, in addition to the review each April, review the pension contribution band to which an employee has been allocated following a material change which affects the member's pensionable pay in the course of a Scheme year (1 April to 31 March).

*** Where a scheme member is "rebanding", the Scheme employer must inform the member of the revised contribution rate and the date from which it is to be applied.*

6.(i) The Council will make changes to employee contribution rates throughout the year from the effective date of any permanent change in employment or material change to the rate of pensionable pay received, and

ii) The Council will consider making a change in employee contribution rates where the employee requests a review as a result of a permanent change in employment or material change in pensionable pay.

7. Additional Voluntary Contributions (Regulation 17(1) (R))

Whether, how much, and in what circumstances to contribute to a Shared-Cost Additional Voluntary Contribution (SCAVC) arrangement entered into on or after 1 April 2014 and whether, how much, and in what circumstances to continue to contribute to any shared cost Additional Voluntary Contribution (SCAVC) arrangement entered into before 1 April 2014.

7. The Council will not apply this discretion.

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case basis.

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12. Choice of early payment of pension (where left employment between 01/04/2008 and 31/03/2014) for a suspended tier 3 ill health pensioner (Regulation 30A(3) & (5) (B))

- (i) ** Whether to grant applications from a suspended Tier 3 Ill Health member who left between 01/04/2008 and 31/03/2014, the early payment of deferred pension benefits on or after age 55 and before age 60
- (ii) \$\$ Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to a previously suspended Tier 3 Ill Health member, which are paid before age 65

*** there may be direct costs to the employer where consent is given to the early payment of benefits before age 60*

\$\$ there will be direct costs to the employer where actuarial reductions are waived

12.(i) The Council's consent to grant applications from a suspended Tier 3 Ill health member as described above will be determined on a case by case basis depending on the circumstances of the deferred member.

12.(ii) The Council in consultation with GOSS HR and the section 151 Officer may exercise this discretion on compassionate grounds whether benefits paid under Regulation 30 are actuarially reduced on a case by case basis, depending on the circumstances of the employee

PART D– Formulation of COMPULSORY policy under the Local Government Pension Scheme Regulations 1997

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PART E – Formulation of COMPULSORY policy under the Local Government Pension Scheme Regulations 1995

14. Early payment of Deferred Benefits on Compassionate grounds (where the member left employment before 01/04/1998) (Regulation D11 2(c) (L95))

** Whether to grant applications from deferred members who left before 01/04/1998, the early payment of deferred pension benefits on compassionate grounds (without actuarial reduction) on or after age 50^(see note below) and before age 65

** *there may be direct costs to the employer where consent is given to the early payment of benefits before age 65*

NOTE

Benefits paid on after 50 and before age 55 will be subject to an HMRC unauthorised payments charge under the Finance Act 2004 and, where applicable, an unauthorised payments surcharge under that Act, but there will be no Scheme sanction charge

14. The Council will not apply this discretion.

DISCLAIMER:

THIS TEMPLATE DOCUMENT IS NOT AN EXHAUSTIVE LIST OF EMPLOYER DISCRETIONS UNDER THE LGPS; IT COVERS THOSE THAT ARE COMPULSORY AND THOSE WHICH WE, AS THE SCHEME ADMINISTRATORS, FEEL WOULD BENEFIT EMPLOYERS FROM MAKING A DECISION ON.