

**NORTH SOMERSET COUNCIL  
DECISION**

Decision of the Executive Member for Human Resources, Asset Management, Capital Programme and Transformation Programme with advice from the Head of Performance Improvement and Human Resources



**Decision No: 2018/19 CSD124**

**Subject: Local Government Pension Scheme Regulations 2013 - Employer Discretions**

**Key Decision: No**

**Background**

North Somerset Council has to exercise discretion in relation to a number of matters covered by the Local Government Pension Scheme (LGPS) Regulations 2013, the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, the LGPS regulations 2008 and the LGPS (Benefits, membership and Contributions) Regulations 2007 (as amended) and the Council's policy in respect of these is proposed as follows:

**Council Policy**

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| <b>Regulation<br/>31, 16(2)(e)<br/>and 16(4)(d)</b>   | <b>Power of employer to grant additional LGPS pension membership</b>  |
| <p>These regulations allow North Somerset Council to award additional annual pension to an active scheme member or within 6 months of leaving to a member whose employment was terminated on the ground of redundancy or business efficiency</p> <p>Where an active scheme member wishes to purchase extra annual pension by making Additional Pension Contributions (APCs), regulation 16(2)(e) and 16(4)(d) allows North Somerset Council to voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC)</p> |   |
| <b>Policy</b>   | <p>North Somerset Council will not normally make use of these discretions. However, the council may consider the use of these regulations in exceptional circumstances such as an employee becoming terminally ill within 6 months of having their employment terminated.</p> |

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| <b>Regulation<br/>30(6) and<br/>30(8)</b>   | <b>Power of employer to agree to the release of all or some LGPS pension benefits if an employee reduces their hours or grade</b> |
| <p>This regulation allows North Somerset Council to agree to the release of all or some pension benefits for a LGPS member aged 55 or over whom, with the council's consent, reduces their hours worked or their pay grade – i.e. Flexible Retirement. Regulation 30(8)</p> |   |


also allows North Somerset Council to agree to waive any actuarial reduction in pension benefits connected with the 'Flexible Retirement'.

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| <b>Policy</b> | <p>North Somerset Council will consider each application for early release of pension benefits through 'Flexible Retirement' on its merits, taking account of the following:</p> <ul style="list-style-type: none"> <li>• The 'Flexible Retirement' should have no significant detrimental impact on service delivery or costs to the council. It may also bring benefits in terms of financial savings or facilitating organisational change.</li> <li>• If the request is to reduce hours, the Council's assessment must be that there would be no operational problems caused, or recruitment difficulty anticipated, as a result of the reduction</li> <li>• The employee is able to move to a post at least one grade lower, or the employee's existing post has been evaluated at least one grade lower</li> </ul> <p>North Somerset Council will not normally make use of these discretions connected with the 'Flexible Retirement' to waive any actuarial reduction in pension benefits, but may wish to consider meeting these costs in exceptional circumstances.</p> |
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| <b>Regulation 30 (8) Transitional regs schedule 2 1(1)c and 2(1)</b> | <p><b>Power of employer to agree to waive any actuarial reductions for active members voluntarily retiring on after 55 and immediately drawing pension benefits or for deferred members and suspended Tier 3 ill health pensioners who elect to draw benefits (other than on ill health grounds) on or after age 55.</b></p>   |
|  | <p>These regulations allow North Somerset Council to agree to waive in whole or in part any actuarial reduction in pension benefits connected with early retirement, either on compassionate grounds for benefits accrued prior to 1 April 2014 or on any grounds for any benefits accrued after 31<sup>st</sup> March 2014.</p> <p>The Transitional regulations allow North Somerset Council to apply the Rule of 85 to members drawing their pension from the age of 55 and before the age of 60 and who would otherwise meet the Rule of 85 at the date of drawing benefits. The regulations also allow the council to waive any actuarial reduction that is applied to benefits for members retiring before normal retirement age and who would not satisfy the Rule of 85 before the age of 65.</p> |
| <b>Policy</b>  | <p>North Somerset Council will not normally make use of the discretion to waive any actuarial reduction in pension benefits. However, the council may consider exercising this discretion in exceptional circumstances, such as where the person taking early retirement is to be the main carer for a terminally ill partner, or where it is in the council's business interests to do so.</p>  |

**DECISION:**


To adopt the policy described above in respect of employer's discretion in relations to a number of matters covered by the Local Government Pension Scheme (LGPS) Regulations 2013.

Signed  .....  
Executive Member for Human Resources, Asset Management and Finance

Dated 13 DECEMBER 2018

Signed  .....  
Head of Performance Improvement and HR

Dated 13 DECEMBER 2018

Signed  .....  
Section 151 Officer

Dated 13 DECEMBER 2018

**Allocation of LGPS contribution Bands**

Contribution bands for Members of the Local Government Pension scheme will be calculated each month according to pensionable pay. Contribution bands may therefore fluctuate should pensionable pay change.

