

Agenda Item:

Pension Fund Committee

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Dorset County Council


Date of Meeting	8 September 2014
Officer	Pension Fund Administrator
Subject of Report	Administering Authority Administration Discretions Policy
Executive Summary	<p>The Local Government Pensions Scheme allows administering authorities a number of discretions over how to apply certain areas of the regulations. At the June 2012 meeting of this Committee members approved the discretion policy at that time.</p> <p>The revised Local Government Pension Scheme 2013 regulations came into force on 1 April 2014 and they continue to give administering authorities a number of discretions. A number of the previous discretion remain, whereas some have changed, and some are new. This Committee, on behalf of Dorset County Council as administering authority for the Dorset Fund now has to review these discretions and agree the policy.</p> <p>The appendix to the report addresses each of the areas where discretion is allowed and recommends a course of action.</p> <p>Members are asked to consider the discretions and agree the policy for publication.</p>
Impact Assessment: <i>How have the following contributed to the development of this report?*</i>	Equalities Impact Assessment: N/A
	Use of Evidence: N/A
	Budget/ Risk Assessment: None

Recommendation	That the Committee approve, for publication, the revised Discretion policy.
Reason for Recommendation	To ensure that the Dorset County Pension Fund complies with the LGPS regulations.
Appendices	<p>1) Review of policy on continuing discretions</p> <p>2) Recommended policy on LGPS 2014 areas of discretion</p>
Background Papers	<ul style="list-style-type: none"> • The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 as Amended (prefix B) • The Local Government Pension Scheme (Administration) Regulations 2008 as Amended (prefix A) • The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (prefix T) • The Local Government Pension Scheme Regulations 1997 as Amended (prefix L) • The Local Government Pension Scheme Regulations 2013 (prefix R) • The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (prefix TP)
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1. Background

- 1.1 The Local Government Pension Scheme regulations give some responsibilities and discretions to Dorset County Council on the administration of the Scheme as the Administering Authority. Many of the discretions have been in existence since the 1990's but some are new since 1 April 2014 .
- 1.2 The administering authority discretions policy was last agreed by this Committee in June 2012. Following the introduction of The Local Government Pension Scheme Regulations 2013, the discretions continuing under the previous regulations must be reviewed including amendments to the discretions under those regulations as well as the 2014 discretions under the new LGPS. The discretions are attached to this report at Appendix 1.

2. Discretions – Main Changes

- 2.1 Abatement – where a member's pension is reduced if they are re-employed by an employer who offers the Local Government Pension Scheme and their pension plus new earnings exceed pay when they retired. Under the 2014 scheme abatement has been removed however the Administering Authority can continue to abate benefits that have arisen pre 1 April 2014. It is recommended that abatement of pre 1 April 2014 benefits continues but from 1 April 2014 those who have retired due to redundancy/efficiency or ill-health and are re-employed are the only category of member that will be abated. The reason for this is that these retirements cause a strain on the Pension Fund for which the employer must pay.
- 2.2 Transfers-in after 12 months – the regulations allow a member to request a transfer-in of previous pension benefits within 12 months of joining the scheme. Prior to 1st April 2014, it was an employer's decision whether a member was allowed to transfer-in more than 12 months after joining the scheme. The 2013 regulations extend this decision to the administering authority. It is recommended that the decision is to be made on a case by case basis in conjunction with the employer with the decision made in the best interests of the Pension Fund. Actuarial advice to be taken if necessary and the decision delegated to the Chief Treasury and Pensions Manager.
- 2.3 The Administering Authority can now make decisions that would usually be an employer decision, but where the member's employer is no longer a Scheme employer. An example could be a deferred member requesting early payment of their benefits. These decisions will be delegated to the Chief Financial Officer in his role as Pension Fund Administrator.

Paul Kent
Pension Fund Administrator
September 2014

Dorset County Pension Fund – Administering Authority Discretions

Discretions from 1.4.14 in relation to post 31.3.14 active members (excluding councillor members) and post 31.3.14 leavers (excluding councillor members), being discretions under:

- the Local Government Pension Scheme Regulations 2013 [prefix R]
- the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [prefix TP]
- the Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 [prefix B]
- the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]
- the Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]

Regulation	Description of discretion	Existing Policy	Recommendations
R4(2)(b) Admission Body agreements	Whether to agree to an admission agreement with a Care Trust, NHS Scheme employing authority or Care Quality Commission	The Administering Authority may agree to an admission agreement with a Care Trust or NHS Scheme employing authority, dependant upon individual circumstances and approval being given by the Pension Fund Committee.	Continue with existing policy and Care Quality Commission to be included. Also that in line with other admission agreements, admission will be subject to the body showing long term financial security by either a guarantee from a scheduled employer or with the provision of a bond
R5(5) & RSch2, Part 3, Para 1 Admission Body agreements	Whether to agree to an admission agreement with a body applying to be an admission body	The Administering Authority will agree to an admission agreement with a body, where there has been a transfer of the service or assets by means of a contract or other arrangement from a Scheduled Employer within the Dorset County Pension Fund, subject to the body showing long term financial security by either a guarantee from a scheduled employer or with the provision of a bond and approval being given by the Pension Fund Committee.	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
RSch 2, Part 3, Para 9(d) Admission Body agreements	Whether to terminate a transferee admission agreement in the event of <ul style="list-style-type: none"> • insolvency, winding up or liquidation of the body • breach by that body of its obligations under the admission agreement failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so	The Administering Authority reserves the right to terminate a transferee admission agreement in the event of: <ul style="list-style-type: none"> • Insolvency, winding up or liquidation of the body • breach by that body of its obligations under the admission agreement failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so	Continue with existing policy
RSch 2, Part 3, Para 12(a) Admission Body agreements	Define what is meant by “employed in connection with”	This applies where an admission agreement states that only those employed in connection with the service have access to the LGPS. A scheme member should spend at least 50% of their time on the relevant contract to remain eligible for the LGPS.	Continue with existing policy
R16(1) Additional pension contributions	Whether to turn down a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is very small and could be paid as a single payment)	N/A – this is a new discretion from 1 st April 2014	Where the APC/SCAPC is to buy back lost pension, if the cost is less than £15 no option will be given for payment over a specified period. In such cases a one off deduction should be made from the next available pay period.

Regulation	Description of discretion	Existing Policy	Recommendations
<p>R16(10) Proof of good health</p>	<p>Whether to require a satisfactory medical before agreeing to an application to pay an APC / SCAPC Whether to turn down an application to pay an APC / SCAPC if not satisfied that the member is in reasonably good health</p>	<p>Additional Pension Contributions buys additional pension in the Scheme. This replaces Additional Regular Contributions. To make Additional Regular Contributions required the member to produce a certificate of good health. This protected the Fund against an election made by a member, who is aware of a medical history, which is likely to lead to ill health retirement. A certificate of good health is required from the member and any cost of obtaining the certificate will be borne by the member.</p>	<p>Continue with existing policy but a certificate of good health is only required if the Scheme member is increasing their pension benefits via regular contributions, not if they are replacing 'lost' pension due to leave of absence, maternity/paternity leave, industrial action or paying via a lump sum contribution.</p>
<p>TP15(1)(b) & A28(2) Charging for estimates</p>	<p>Whether to charge member for provision of estimate of additional pension that would be provided by the Scheme in return for transfer of in house AVC/SCAVC funds (where AVC/SCAVC arrangement was entered into before 1/4/2014)</p>	<p>No charge to be made unless external charges are incurred by the Fund in which case the charge will be passed to the member.</p>	<p>Continue with existing policy</p>

Regulation	Description of discretion	Existing Policy	Recommendations
R17(12) Additional voluntary contributions	Decide to whom any AVC/SCAVC monies(including life assurance monies) are to be paid on death of the member	N/A – this is a new discretion from 1 st April 2014	Delegated to the Chief Financial Officer in his role as Pension Fund Administrator normally resulting in the AVC/SCAVC monies being paid in accordance with the scheme member's wishes as expressed on their Expression of Wish form also taking into account their circumstances at the date of death and any wishes as expressed in their last will and testament.
R22(3)(c) Pension accounts	Pension accounts may be kept in such form as is considered appropriate	N/A – this is a new discretion from 1 st April 2014	Pension accounts will be kept in accordance with the Pensions Administration system.
TP10(9) Concurrent's	Decide, in the absence of an election from the member within 12 months of ceasing a concurrent employment, which ongoing employment benefits from the concurrent employment which has ceased should be aggregated (where there is more than one ongoing employment)	The concurrent benefits will be added to the employment which appears to the AA to be the main ongoing employment.	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
<p>R30(8) Orphan members</p>	<p>Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement</p>	<p>N/A – the facility to act in lieu of a defunct employer is new</p>	<p>The AA will only consent to waive the actuarial reduction where the member’s former employing authority has, prior to it ceasing to be an employing authority, provided the AA with a copy of it’s policy on waiving the actuarial reduction and that policy allows, in some or all cases, or the waiving, in whole or in part, of the actuarial reduction. If no such policy exists then the decision be delegated to the Chief Financial Officer in his role as Pension Fund Administrator.</p>
<p>R30(8) Orphan members</p>	<p>Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age</p>	<p>N/A – the facility to act in lieu of a defunct employer is new</p>	<p>The AA will only consent to waive the actuarial reduction where the member’s former employing authority has, prior to it ceasing to be an employing authority, provided the AA with a copy of it’s policy on waiving the actuarial reduction and that policy allows, in some or all cases, or the waiving, in whole or in part, of the actuarial reduction. If no such policy exists then the decision be delegated to the Chief Financial Officer in his role as Pension Fund Administrator.</p>

Regulation	Description of discretion	Existing Policy	Recommendations
<p>R68(2) Employer payments</p>	<p>Whether to require any strain on Fund costs to be paid “up front” by employing authority following payment of benefits under R30(6) (flexible retirement), R30(7) (redundancy / business efficiency), or the waiver (in whole or in part) under R30(8) that would otherwise have been applied to benefits which a member voluntarily draws before normal pension age or to benefits drawn on flexible retirement</p>	<p>The Employer can choose to pay the capital cost as either an up front lump sum payment or payable over 3 years with the first payment commencing the following April after retirement. In exceptional circumstances the Chief Financial Officer in his role as Pension Fund Administrator will decide on whether the payment period can be extended up to a maximum of 5 years.</p>	<p>Continue with existing policy</p>
<p>TPsch 2, paras1(2) and 2(2) Orphan members</p>	<p>Whether to “switch on” the 85 year rule for a member voluntarily drawing benefit on or after age 55 and before age 60</p>	<p>N/A – the facility to act in lieu of a defunct employer is new</p>	<p>The AA will only consent to activate the 85 year rule where the member’s former employing authority has, prior to it ceasing to be an employing authority, provided the AA with a copy of its policy on activating the 85 year rule and that policy allows, in some or all cases, for the activation of the rule. If no such policy exists then the decision be delegated to the Chief Financial Officer in his role as Pension Fund Administrator.</p>

Regulation	Description of discretion	Existing Policy	Recommendations
TP3(1), TPSch 2, paras 2(1) and 2(2). B30(5) and B30A(5) Orphan members	Whether to waive any actuarial reduction on preand/or post April 2014 benefits	N/A – the facility to act in lieu of a defunct employer is new	The AA will only consent to waive the actuarial reduction where the member's former employing authority has, prior to it ceasing to be an employing authority, provided the AA with a copy of it's policy on waiving the actuarial reduction and that policy allows, in some or all cases, or the waiving, in whole or in part, of the actuarial reduction. If no such policy exists then the decision be delegated to the Chief Financial Officer in his role as Pension Fund Administrator.
TPSch 2, Para 2(3) Employer payments	Whether to require any strain on Fund costs to be paid "up front" by employing authority following flexible retirement under R30(6), or waiver of actuarial reduction under TPSch 2, Para 2(1) or release of benefits before age 60 under B30 of B30A	The Employer can choose to pay the capital cost as either an up front lump sum payment or payable over 3 years with the first payment commencing the following April after retirement. In exceptional circumstances the Chief Financial Officer in his role as Pension Fund Administrator will decide on whether the payment period can be extended up to a maximum of 5 years.	Continue with existing policy
R32(7) Notice period	Whether to extend the time limits within which a member must give notice of the wish to draw benefits before normal pension age or upon flexible retirement	N/A – this is a new discretion from 1st April 2014	Delegate decision to Pensions Benefits Manager on a case by case basis
B34(1) Pension commutation	Decide whether to commute small pension	Commutation of member benefits is permitted where the regulations and overriding legislation allows.	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
A36(3) Approved medical advisors for ill health retirements	Approve medical advisors used by employers (for ill health benefits)	The Pensions Benefits Manager checks qualifications of chosen registered medical practitioner and gives approval.	Continue with existing policy
TP12(6) Orphan members	Whether to use a certificate produced by an IRMP under the 2008 Scheme for the purposes of making an ill health determination under the 2014 Scheme	N/A – the facility to act in lieu of a defunct employer is new	Only a current certificate will be accepted
R38(3) Orphan members	Decide whether deferred beneficiary meets criteria of being permanently incapable of former job because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years, whichever is the sooner.	N/A – the facility to act in lieu of a defunct employer is new	Cases to be considered individually and the decision delegated to the Chief Financial Officer in his role as Pension Fund Administrator. The decision will be made based on the medical opinion provided by an Independent Registered Medical Practitioner and any other relevant details.
R38(6) Orphan members	Decide whether a suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health	N/A – the facility to act in lieu of a defunct employer is new	Cases to be considered individually and the decision delegated to the Chief Financial Officer in his role as Pension Fund Administrator. The decision will be made based on the medical opinion provided by an Independent Registered Medical Practitioner and any other relevant details.

Regulation	Description of discretion	Existing Policy	Recommendations
TP17(5) to (8) &R40(2), R43(2) &R46(2) Death grants	Decide to whom death grant is paid	The discretion is delegated to the Chief Financial Officer in his role as Pension Fund Administrator normally resulting in the Death Grant being paid in accordance with the scheme member's wishes as expressed on their Expression of Wish form also taking into account their circumstances at the date of death and any wishes as expressed in their last will and testament.	Continue with existing policy
R49(1)(c) Double entitlement	Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more regulations in respect of the same period of Scheme membership	The AA will pay the highest benefits in the absence of a member election.	Continue with existing policy
R54(1) Separate admission agreement fund	Whether to set up a separate admission agreement fund	The Dorset County Pension Fund has never taken this action.	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
<p>R55 Governance and governance compliance</p>	<p>Governance policy must state whether the admin authority delegates their function or part of their function in relation to maintaining a pension fund to a committee, a sub-committee or an officer of the admin authority and, if they do so delegate, state</p> <ul style="list-style-type: none"> • the frequency of any committee or subcommittee meetings • the terms of reference, structure and operational procedures appertaining to the delegation • whether representatives of employing authorities or members are included and, if so, whether they have voting rights <p>The policy must also state the extent to which a delegation, or the absence of a delegation, complies with Secof State guidance and, to the extent it does not comply, state the reasons for not complying and the terms, structure and operation procedures appertaining to the local Pension Board</p>	<p>A Governance Policy Statement and Governance Compliance Statement is agreed by the Pension Fund Committee and published on the Pension Fund website.</p>	<p>Continue with existing policy</p>
<p>R58 Funding Strategy</p>	<p>Decide on Funding Strategy for inclusion in Funding Strategy Statement</p>	<p>A Funding Strategy Statement is agreed by the Pensions Committee and published on the Pension Fund website.</p>	<p>Continue with existing policy</p>

Regulation	Description of discretion	Existing Policy	Recommendations
R59(1) & (2) Pensions Administration Strategy	Whether to have a written pensions administration strategy and, if so, the matters it should include	The Fund has a Pension Administration Strategy in force from 1 April 2014 coinciding with the introduction of the LGPS 2014, and will be reviewed on a regular basis.	Continue with existing policy
R61 Communication policy	Communication policy must set out the policy on provision of information and publicity to, and communicating with members, representatives of members, prospective members and Scheme employers: the format, frequency and method of communication; and the promotion of the Scheme to prospective members and their employers.	A Communication Policy is agreed by the Pensions Committee and published on the Pension Fund website.	Continue with existing policy
R64(4) Revised Rates and Adjustment Certificates	Whether to obtain revision of employer's contribution rate if there are circumstances which make it likely a Scheme employer will become an exiting employer	Delegate to the Chief Financial Officer in his role as Pension Fund Administrator whether to obtain revised rate and adjustments certificate regarding employer contributions as appropriate.	Continue with existing policy
R65 Revised Rates and Adjustment Certificates	Decide whether to obtain a new rates and adjustments certificate if the Secretary of State amends the Benefit Regulations as part of the "cost sharing" under R63	A revised employer's rates and adjustment certificate will be obtained, at a cost to the employer. To be actioned by the Pension Fund Committee if required.	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
R69(1) Employer payments	Decide frequency of payments to be made over to Fund by employers and whether to make an administration charge	Payments must be made in accordance with Pensions Act (made monthly by 19th of the month following payroll). Any administration charge will be in accordance with the Fund's Administration Strategy.	Continue with existing policy
R69(4) Employer payments	Decide form and frequency of information to accompany payments to the Fund	Employing authorities to supply information regarding each individual only at year end. A remittance advice is required to accompany monthly pension contributions payments.	Continue with existing policy
R70 & TP22(2) Employer payments	Whether to issue employer with notice to recover additional costs incurred as a result of the employer's level of performance	Dealt with under the Pensions Administration Strategy	Continue with existing policy
R71(1) Employer payments	Whether to charge interest on payments by employers which are overdue	Dealt with under the Pensions Administration Strategy	Continue with existing policy
R76(4) Stage 2 IDR P	Decide procedure to be followed by administering authority when exercising its stage 2 IDR P functions and decide the manner in which those functions are to be exercised	Head of Legal and Democratic Services to undertake this role.	Continue with existing policy
R79(2) Appeals against employer decisions	Whether administering authority should appeal against employer decision (or lack of decision)	The AA will appeal where the Administering Authority believes an employer has made (or failed to make) a decision or committed an act that is both wrong in law and material, and where the AA has been unable to persuade the employer to alter its actions (or inactions).	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
R80(1)(b) & TP22(1) Provision of Information by Employers	Specify information to be supplied by employers to enable administering authority to discharge its functions	General information requirements are contained within the Pensions Administration Strategy and additional requirements will be specified as needed.	Continue with existing policy
R82(2) Benefits due in respect of deceased persons	Whether to pay death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than amount specified in s6 of the Administration of Estates (Small Payments) Act 1965	Current limit under the Administration of Estates (Small Payments) Act 1965 is £5000. Payment will be made to personal representatives or entitled beneficiary without the need for probate or letters of administration	Continue with existing policy
R83 Member unable to deal with their own affairs	Whether, where a person (other than an eligible child) is incapable of managing their affairs, to pay the whole or part of the person's pension benefits to another person for their benefit	Power of Attorney or Court of Protection documents required	Continue with existing policy
R89(5) Annual Benefit Statement	Date to which benefits shown on annual benefit statement are calculated	Date used is 31 March each year	Continue with existing policy
R98(1)(b) Bulk Transfer	Agree to bulk transfer payment	AA will agree to a bulk transfer payment where appropriate and will liaise with the Fund Actuary	Continue with existing policy
R100(68) Transfer of Pension Rights	Extend normal time limit for acceptance of restitution transfer value beyond 12 months from joining the LGPS	N/A – this is a new discretion from 1st April 2014. Previously only the employer had the discretion to allow a late transfer, now it is the employer and the AA	Decision to be made on a case by case basis in conjunction with the employer with the decision made in the best interests of the Pension Fund. Actuarial advice to be taken if necessary. Delegated to Chief Treasury and Pensions Manager.

Regulation	Description of discretion	Existing Policy	Recommendations
R100(7) Transfer of Pension Rights	Allow transfer of pension rights into the Fund	Transfers into the Fund will be permitted from recognised pension schemes	Continue with existing policy
TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & B10(2) Final Pay	Where member to whom B10 applies (use of average of 3 years pay for final pay purposes) dies before making an election, whether to make that election on behalf of the deceased member	Where a scheme member is to have protection of retirement benefits but dies before electing to use a previous higher final pay period, the Pensions Benefits Manager or Assistant Pensions Benefits Manager will decide in such a way as to provide the highest level of benefits.	Continue with existing policy
TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & TSch 1 & L23(9) Certificates of Protection	Make election on behalf of deceased member with a certificate of protection of pension benefits i.e. determine best pay figure to use in the benefit calculations (pay cuts/restrictions occurring pre 1.4.08)	Where a scheme member is to have protection of retirement benefits but dies before electing to use a previous higher final pay period, the Pensions Benefits Manager or Assistant Pensions Benefits Manager will decide in such a way as to provide the highest level of benefits.	Continue with existing policy
RSch 1 & TP17(9) Child in education	Decide to treat child as being in continuous education or vocational training despite a break	Pension will be suspended during any break in continuous education and consideration given by the Chief Financial Officer in his role as Pension Fund Administrator to restarting once education is resumed. Delegated to the Chief Financial Officer in his role as Pension Fund Administrator	Delegate to the Chief Treasury and Pensions Manager.

Regulation	Description of discretion	Existing Policy	Recommendations
<p>RSch 1 &TP17(9)(b) Meaning of 'Co-habiting Partner'</p>	<p>Decide evidence required to determine financial dependence of co-habiting partner on scheme member or financial interdependence of co-habiting partner and scheme member</p>	<p>Members can nominate co-habiting partners who for a period of at least two years they are:</p> <ul style="list-style-type: none"> • Free to marry/form a civil partnership; • living together as husband/wife or civil partners; • neither partner is living with another partner; • partner is financially dependant or interdependent on member <p>The Administering Authority will require proof of co-habiting for at least two years at time of nomination together with any relevant certificates to prove member was able to marry. Evidence needed to determine financial dependency or interdependency will be decided on a case by case basis.</p>	<p>Members are no longer required to nominate co-habiting partners therefore the nomination form is no longer required.</p> <p>The Administering Authority will require proof of co-habiting for at least two years prior to the date of death of the member together with any relevant certificates to prove the couple were free to marry. Evidence needed to determine financial dependency or interdependency will be decided on a case by case basis by the Chief Treasury and Pensions Manager.</p>

Regulation	Description of discretion	Existing Policy	Recommendations
TP3(13) &A70(1) &A71(4(c)) Abatement	Decide policy on abatement of pre 1 April 2014 elements of pensions in payment following reemployment	Abatement reduces a member's pension during a period of re-employment where a pensioner has re-entered local government employment which is subject to the LGPS and whose total pension and new salary together exceed the salary at retirement. Current policy is to abate in all cases.	Abatement has been removed from LGPS 2014 and so only pre 1/4/2014 benefits can be abated. It is recommended that only those members who have retired by reason of redundancy/efficiency and ill-health are abated on re-employment from 1/4/2014
TP15(1)(c) &TSch1 &L83(5) Added years contributions	Extend time period for capitalisation of added years contract	Extension of the time limit will only be granted in exceptional circumstances. Decision to be delegated to the Chief Treasury and Pensions Manager.	Continue with existing policy

Discretions in relation to scheme members (excluding councillor members) who ceased active membership on or after 1.4.08. and before 1.4.14., being discretions under:

- the Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [prefix B]
- the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]
- the Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 [prefix TP]
- the Local Government Pension Scheme Regulations 2013 [prefix R]
- the Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]

Regulation	Description of discretion	Existing Policy	Recommendations
A28(2) Charging for estimates	Whether to charge member for provision of estimate of additional pension that would be provided by the Scheme in return for transfer of in house AVC/SCAVC funds	No charge to be made unless external charges are incurred by the Fund in which case the charge will be passed to the member.	Continue with existing policy
TSch1 & L83(5) Added years contributions	Extend time period for capitalisation of added years contract	Extension of the time limit will only be granted in exceptional circumstances. Decision to be delegated to the Chief Treasury and Pensions Manager.	Continue with existing policy
A45(3) Member deductions	Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits	Outstanding employee contributions will be recovered by the Administering Authority as a simple debt or by deduction from benefits, unless there are exceptional circumstances which will be reviewed by the Chief Treasury and Pensions Manager.	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
A52(2) Benefits due in respect of deceased persons	Can pay balance of pension or other benefits that were due to a deceased person to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration	Current limit under the Administration of Estates (Small Payments) Act 1965 is £5000. Payment will be made to personal representatives or entitled beneficiary without the need for probate or letters of administration	Continue with existing policy
A56(2) Approved medical advisors for ill health retirements	Approve medical advisors used by employers (for early payment, on grounds of ill health, of a deferred benefit or a suspended Tier 3 ill health pension)	The Pensions Benefits Manager checks qualifications of chosen registered medical practitioner and gives approval.	Continue with existing policy
A60(8) Stage 2 IDRPs	Decide procedure to be followed by administering authority when exercising its stage 2 IDRPs functions and decide the manner in which those functions are to be exercised	Head of Legal and Democratic Services to undertake this role.	Continue with existing policy
A63(2) Appeals against employer decisions	Whether administering authority should appeal against employer decision (or lack of decision)	The AA will appeal where the Administering Authority believes an employer has made (or failed to make) a decision or committed an act that is both wrong in law and material, and where the AA has been unable to persuade the employer to alter its actions (or inactions).	Continue with existing policy
A64(1)(b) Provision of Information by Employers	Specify information to be supplied by employers to enable administering authority to discharge its functions	General information requirements are contained within the Pensions Administration Strategy and additional requirements will be specified as needed.	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
TP3(13) &A70(1) &A71(4(c) &T12 Abatement	Decide policy on abatement of pensions following re-employment	Abatement reduces a member's pension during a period of re-employment where a pensioner has re-entered local government employment which is subject to the LGPS and whose total pension and new salary together exceed the salary at retirement. Current policy is to abate in all cases.	Abatement has been removed from LGPS 2014 and so only pre 1/4/2014 benefits can be abated. Amend policy, so that abatement will now only happen where retirement was on redundancy efficiency or ill-health grounds.
B10(2) Final Pay	Where member to whom B10 applies (use of average of 3 years pay for final pay purposes) dies before making an election, whether to make that election on behalf of the deceased member	Where a scheme member is to have protection of retirement benefits but dies before electing to use a previous higher final pay period, the Pensions Benefits Manager or Assistant Pensions Benefits Manager will decide in such a way as to provide the highest level of benefits.	Continue with existing policy
B27(5) Children's pensions	Whether to pay the whole or part of a child's pension to another person for the benefit of the child	Currently the parent or guardian is required to set up a bank or building society account in the child's name.	Continue with current practice
A52A Member unable to deal with their own affairs	Whether, where a person (other than an eligible child) is incapable of managing their affairs, to pay the whole or part of the person's pension benefits to another person for their benefit	Power of Attorney or Court of Protection documents required	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
<p>B30(2) Orphan members</p>	<p>Decide whether to grant early release of deferred benefits on or after age 55 and before age 60</p>	<p>N/A – the facility to act in lieu of a defunct employer is new</p>	<p>The AA will only consent to the early release where the member’s former employing authority has, prior to it ceasing to be an employing authority, provided the AA with a copy of it’s policy on the early release and that policy allows, in some or all cases, the early release of deferred benefits. If no such policy exists then the decision be delegated to the Chief Financial Officer in his role as Pension Fund Administrator.</p>
<p>B30(5) Orphan members</p>	<p>Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30</p>	<p>N/A – the facility to act in lieu of a defunct employer is new</p>	<p>The AA will only consent to waive the actuarial reduction where the member’s former employing authority has, prior to it ceasing to be an employing authority, provided the AA with a copy of it’s policy on waiving the actuarial reduction and that policy allows, in some or all cases, or the waiving, in whole or in part, of the actuarial reduction. If no such policy exists then the decision be delegated to the Chief Financial Officer in his role as Pension Fund Administrator.</p>

Regulation	Description of discretion	Existing Policy	Recommendations
<p>B30A(3) Orphan members</p>	<p>Whether to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60</p>	<p>N/A – the facility to act in lieu of a defunct employer is new</p>	<p>The AA will only consent to the early payment where the member’s former employing authority has, prior to it ceasing to be an employing authority, provided the AA with a copy of it’s policy on the early payment and that policy allows, in some or all cases, the early payment of a suspended tier 3 ill health pension. If no such policy exists then the decision be delegated to the Chief Financial Officer in his role as Pension Fund Administrator.</p>
<p>B30A(5) Orphan members</p>	<p>Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid under B30A</p>	<p>N/A – the facility to act in lieu of a defunct employer is new</p>	<p>The AA will only consent to waive the actuarial reduction where the member’s former employing authority has, prior to it ceasing to be an employing authority, provided the AA with a copy of it’s policy on waiving the actuarial reduction and that policy allows, in some or all cases, or the waiving, in whole or in part, of the actuarial reduction. If no such policy exists then the decision be delegated to the Chief Financial Officer in his role as Pension Fund Administrator.</p>

Regulation	Description of discretion	Existing Policy	Recommendations
B31(4) Orphan members	Decide whether deferred beneficiary meets permanent ill health and reduced likelihood of gainful employment criteria	N/A – the facility to act in lieu of a defunct employer is new	Cases to be considered individually and the decision delegated to the Chief Financial Officer in his role as Pension Fund Administrator. The decision will be made based on the medical opinion provided by an Independent Registered Medical Practitioner and any other relevant details.
B31(7) Orphan members	Decide whether a suspended ill health tier 3 member is permanently incapable of undertaking any gainful employment	N/A – the facility to act in lieu of a defunct employer is new	Cases to be considered individually and the decision delegated to the Chief Financial Officer in his role as Pension Fund Administrator. The decision will be made based on the medical opinion provided by an Independent Registered Medical Practitioner and any other relevant details.
B23(2) & B32(2) & B35(2) & TSch1 & L155(4) Death Grants	Decide to whom death grant is paid	The discretion is delegated to the Chief Financial Officer in his role as Pension Fund Administrator normally resulting in the Death Grant being paid in accordance with the scheme member's wishes as expressed on their Expression of Wish form also taking into account their circumstances at the date of death and any wishes as expressed in their last will and testament.	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
B25 Meaning of 'Nominated Cohabitee'	Decide evidence required to determine financial dependence of nominated co-habitee of scheme member or financial interdependence of nominated co-habitee and scheme member	Evidence needed to determine financial dependency or interdependency will be decided on a case by case basis.	Continue with existing policy
RSch 1 &TP17(9) Child in education	Decide to treat child as being in continuous education or vocational training despite a break	Pension will be suspended during any break in continuous education and consideration given by the Chief Financial Officer in his role as Pension Fund Administrator to restarting once education is resumed. Delegated to the Chief Financial Officer in his role as Pension Fund Administrator	Delegate to the Chief Treasury and Pensions Manager.
B39 &T14(3) Pension commutation	Decide whether to commute small pension	Commutation of member benefits is permitted where the regulations and overriding legislation allows.	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
B42(1)(c) Double entitlement	Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more regulations in respect of the same period of Scheme membership	The AA will pay the highest benefits in the absence of a member election.	Continue with existing policy
TSch 1 & L23(9) Certificates of Protection	Make election on behalf of deceased member with a certificate of protection of pension benefits i.e. determine best pay figure to use in the benefit calculations (pay cuts/restrictions occurring pre 1.4.08)	Where a scheme member is to have protection of retirement benefits but dies before electing to use a previous higher final pay period, the Pensions Benefits Manager or Assistant Pensions Benefits Manager will decide in such a way as to provide the highest level of benefits.	Continue with existing policy

Discretions under the Local Government Pension Scheme Regulations 1997 (as amended) in relation to:

a) active councillor members

b) councillor members who ceased active membership on or after 1.4.98; and

c) any other scheme members who ceased active membership on or after 1.4.98. and before 1.4.08.

Regulation	Description of discretion	Existing Policy	Recommendations
12(5) Councillor payments	Frequency of payment of councillors' contributions	Payments must be made in accordance with Pensions Act (made monthly by 19th of the month following payroll). Any administration charge will be in accordance with the Fund's Administration Strategy.	Continue with existing policy
17(4),(7),(8), & 89(4) & Sch 1 Reserve forces	Extend normal 12 month period following end of relevant reserve forces leave for "Cancelling notice" to be submitted by a councillor member requesting that the service should not be treated as relevant reserve forces service	No current policy in place	The time limit will only be extended in exceptional circumstances and the decision delegated to the Chief Financial Officer in his role as Pension Fund Administrator.
22(7) Final pay	Select appropriate final pay period for deceased non-councillor member (leavers post 31.3.98. / pre 1.4.08.)	The Pensions Benefits Manager or Assistant Pensions Benefits Manager will decide in such a way as to provide the highest level of benefits.	Continue with existing policy
23(9) Certificates of protection	Make election on behalf of deceased non-councillor member with a certificate of protection of pension benefits i.e. determine best pay figure to use in the benefit calculations (pay cuts / restrictions occurring pre 1.4.08.)	Where a scheme member is to have protection of retirement benefits but dies before electing to use a previous higher final pay period, the Pensions Benefits Manager or Assistant Pensions Benefits Manager will decide in such a way as to provide the highest level of benefits.	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
38(1) & 155(4) Death grants	Decide to whom death grant is paid in respect of councillor members and post 31.3.98. / pre 1.4.08 leavers	The discretion is delegated to the Chief Financial Officer in his role as Pension Fund Administrator normally resulting in the Death Grant being paid in accordance with the scheme member's wishes as expressed on their Expression of Wish form also taking into account their circumstances at the date of death and any wishes as expressed in their last will and testament.	Continue with existing policy
Reg 17(9) of the LGPS (Transitional Provisions and Savings) Regs 2014 and definition in Sch 1 of the LGPS Regulations 2013 Child in education	Decide to treat child as being in continuous education or vocational training despite a break (children of councillor members and children of post 31.3.98. / pre 1.4.08. leavers)	Pension will be suspended during any break in continuous education and consideration given by the Chief Financial Officer in his role as Pension Fund Administrator to restarting once education is resumed. Delegated to the Chief Financial Officer in his role as Pension Fund Administrator	Delegate to the Chief Treasury and Pensions Manager.
47(1) Children's pensions	Apportionment of children's pension amongst eligible children (children of councillor members and children of post 31.3.98. / pre 1.4.08. leavers)	The pension is divided equally between eligible children and the pension for the remaining children is recalculated when each child is no longer eligible	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
47(2) Children's pensions	Pay child's pension to another person for the benefit of the child (children of councillor members and children of post 31.3.98. / pre 1.4.08. leavers)	Currently the parent or guardian is required to set up a bank or building society account in the child's name.	Continue with current practice.
49 & 156 Pension commutation	Agree to commutation of small pension (pre 1.4.08 leavers or pre 1.4.08. Pension Credit members)	Commutation of member benefits is permitted where the regulations and overriding legislation allows.	Continue with existing policy
50 and 157	Commute benefits due to exceptional ill-health (councillor members, pre 1.4.08. leavers and pre 1.4.08. Pension Credit members)	Commutation is permitted in these circumstances where the medical evidence supports the request.	Continue with existing policy
60(5) AVC payments	Whether acceptance of AVC election is subject to a minimum payment (councillors only)	No minimum has been set	Continue with existing policy
80(5) Employer payments	Whether to require any strain on Fund costs to be paid "up front" by employing authority following early voluntary retirement of a councillor (i.e. after age 50/55 and before age 60), or early payment of a deferred benefit on health grounds or from age 50 with employer consent (pre 1.4.08. leavers).	The Employer can choose to pay the capital cost as either an up front lump sum payment or payable over 3 years with the first payment commencing the following April after retirement. In exceptional circumstances the Chief Financial Officer in his role as Pension Fund Administrator will decide on whether the payment period can be extended up to a maximum of 5 years.	Continue with existing policy.

Regulation	Description of discretion	Existing Policy	Recommendations
81(1) Employer payments	Frequency of employer's payments to the fund (in respect of councillor members).	Payments must be made in accordance with Pensions Act (made monthly by 19th of the month following payroll). Any administration charge will be in accordance with the Fund's Administration Strategy.	Continue with existing policy
81(5) Employer payments	Form and frequency of information to accompany payments to the Fund (in respect of councillor members)	Employing authorities to supply information regarding each individual only at year end. A remittance advice is required to accompany monthly pension contributions payments.	Continue with existing policy
82(1) Employer payments	Interest on payments by employers overdue by more than 1 month (in respect of councillor members)	Dealt with under the Pensions Administration Strategy	Continue with existing policy
89(3) Member deductions	Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits (councillors and pre 1.4.08. leavers)	Outstanding employee contributions will be recovered by the Administering Authority as a simple debt or by deduction from benefits, unless there are exceptional circumstances which will be reviewed by the Chief Treasury and Pensions Manager.	Continue with existing policy
91(6) Pensions Increase	Timing of pension increase payments by employers to fund (pre 1.4.08. leavers)	Invoices will be raised on a basis agreed with the employer	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
95 Benefits due in respect of deceased persons	Pay death grant due to personal representatives without need for grant of probate / letters of administration (death of councillor or pre 1.4.08. leaver)	Current limit under the Administration of Estates (Small Payments) Act 1965 is £5000. Payment will be made to personal representatives or entitled beneficiary without the need for probate or letters of administration	Continue with existing policy
97(10) Approved medical advisors for ill health retirements	Approve medical advisors used by employers (re ill health benefits for councillors and re pre 1.4.08. preserved benefits payable on health grounds)	The Pensions Benefits Manager checks qualifications of chosen registered medical practitioner and gives approval.	Continue with existing policy
99 IDRP	Decide procedure to be followed by admin authority when exercising its IDRP functions and decide the manner in which those functions are to be exercised (councillors and pre 1.4.08. leavers)	Head of Legal and Democratic Services to undertake this role.	Continue with existing policy
105(1) Appeals against employer decisions	Appeal against employer decision, or lack of a decision (councillors and pre 1.4.08. leavers)	The AA will appeal where the Administering Authority believes an employer has made (or failed to make) a decision or committed an act that is both wrong in law and material, and where the AA has been unable to persuade the employer to alter its actions (or inactions).	Continue with existing policy
106A(5) Deferred benefit statements	Date to which benefits shown on annual deferred benefit statement are calculated	Benefit statements for deferred members are calculated as at the Pensions Increase date (6th-12th April)	Continue with existing policy

Regulation	Description of discretion	Existing Policy	Recommendations
109 & 110(4)(b) Abatement	Abatement of pensions following re-employment (councillors + pre 1.4.08. leavers)	Abatement reduces a member's pension during a period of re-employment where a pensioner has re-entered local government employment which is subject to the LGPS and whose total pension and new salary together exceed the salary at retirement. Current policy is to abate in all cases.	Abatement has been removed from LGPS 2014 and so only pre 1/4/2014 benefits can be abated. Amend policy, so that abatement will now only happen where retirement was on redundancy efficiency or ill-health grounds.
118 Contributions Equivalent Premium (CEP)	Retention of CEP where member transfers out (councillors and pre 1.4.08. leavers)	This only applies where the contracted-out liability is retained in the Fund. Where this happens, an appropriate sum will be deducted from the transfer value.	Continue with existing policy
147 Pension Credit	Discharge Pension Credit liability (in respect of Pension Sharing Orders for councillors and pre 1.4.08. Pension Sharing Orders for non-councillor members)	The discharge of pension credit liability is dealt with according to the regulations and guidance in force. A transfer of pension credit liability will be allowed.	Continue with existing policy

Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. Also, any part of the benefits which had accrued after 5 April 2006 would generate a scheme sanction charge.

Discretions under the Local Government Pension Scheme Regulations 1995 (as amended) in relation to scheme members who ceased active membership before 1.4.98

Regulation	Description of discretion	Existing Policy	Recommendations
E8 Death Grant	Decide to whom death grant is paid in respect of pre 1.4.98. leavers	The discretion is delegated to the Chief Financial Officer in his role as Pension Fund Administrator normally resulting in the Death Grant being paid in accordance with the scheme member's wishes as expressed on their Expression of Wish form also taking into account their circumstances at the date of death and any wishes as expressed in their last will and testament.	Continue with existing policy
F7 Spouse's pension	Whether to pay spouse's pensions for life for pre 1.4.98 retirees / pre 1.4.98 deferred members who die on or after 1.4.98 (rather than ceasing during any period of remarriage or co-habitation)	Spouse's pensions will be paid for life.	Continue with existing policy
Reg 17(9) of the LGPS (Transitional Provisions and Savings) Regs 2014 and definition in Sch 1 of the LGPS Regulations 2013	Decide to treat child as being in continuous education or vocational training despite a break (children of pre 1.4.98. retirees / pre 1.4.98 deferred members)	Pension will be suspended during any break in continuous education and consideration given by the Chief Financial Officer in his role as Pension Fund Administrator to restarting once education is resumed. Delegated to the Chief Financial Officer in his role as Pension Fund Administrator	Delegate to the Chief Treasury and Pensions Manager.
G11(1) Childs Pension	Apportionment of children's pension amongst eligible children (children of pre 1.4.98. retirees / pre 1.4.98 deferred members)	The pension is divided equally between eligible children and the pension for the remaining children is recalculated when each child is	Continue with existing policy

		no longer eligible	
Regulation	Description of discretion	Existing Policy	Recommendations
G11(2) Childs Pension	Pay child's pension to another person for the benefit of the child (children of pre 1.4.98. retirees / pre 1.4.98 deferred members)	Currently the parent or guardian is required to set up a bank or building society account in the child's name.	Continue with current practice.

Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. However, as the benefits had accrued prior to 6 April 2006, they would not generate a scheme sanction charge.

Discretions under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)

Regulation	Description of discretion	Existing Policy	Recommendations
31(2)	Agree to pay annual compensation on behalf of employer and recharge payments to employer	Employers will normally pay the Administering Authority on a monthly basis unless agreed otherwise by the Chief Financial Officer in his role as Pension Fund Administrator	Delegate to the Chief Treasury and Pensions Manager.