

DORSET COUNTY PENSION FUND – ADMINISTRATION REPORT

ADMINISTERING AUTHORITY DISCRETIONS**Summary**

Under the provisions of the Local Government Pension Scheme (LGPS) the Administering Authority is required to maintain a policy on how it will apply the various discretions given under the Scheme.

The current policy was approved by the Pensions Fund Committee on 8 September 2014.

Following representations from the Interim Pensions Manager, it is proposed that this policy is changed in regard to the policy of re-employed pensioners to abate only where the member previously retired on the grounds of Ill Health where enhanced benefits had been paid.

Recommendation:

1. The amendment relating to the treatment of re-employed pensioners is agreed

1. The proposed amendments are shown below, and apply to the three distinct member groups, each of which is relevant to the date of active membership, or when active membership ceased. Although the relevant regulations to each category differ, the proposed policy intention is the same.
2. The full policy covering Dorset County Pension Fund's Administering Authority LGPS discretions as shown at Appendix 1.

Discretions from 01.04.14 in relation to post 31.03.14 active members and post 31.03.14 leavers (excluding councillor members)

Regulation

TP3(13) & A70(1) & A71(4(c))

<u>Description of discretion</u>	<u>Current Policy Decision</u>	<u>Proposed Amendment</u>
Decide policy on abatement of pre April 2014 elements of pensions in payment following re-employment	Abatement has been removed from LGPS 2014 and so only pre 01/04/2014 benefits can be abated. Only those members who have retired by reason of	Abatement will cease to apply in all cases except where enhanced benefits have been awarded as a result of an ill-health

	redundancy/efficiency and ill-health are abated on re-employment from 01/04/2014	retirement. Enhanced benefits include the award of additional pension or service, and the payment of unreduced benefits.
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Discretions in relation to scheme members who ceased active membership on or after 01.04.08 and before 01.04.14 (excluding councillor members)

Regulation

TP3(13) & A70(1) & A71(4(c) & T12

<u>Description of discretion</u>	<u>Current Policy Decision</u>	<u>Proposed Amendment</u>
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.	Abatement has now been removed from LGPS 2014 and so only pre 01/04/2014 benefits can be abated. Abatement will now only happen where retirement was on redundancy efficiency or ill-health grounds	Abatement will cease to apply in all cases except where enhanced benefits have been awarded as a result of an ill-health retirement. Enhanced benefits include the award of additional pension or service, and the payment of unreduced benefits.

Discretions under the Local Government Pension Scheme Regulations for active or ceased scheme members before 01.04.08

Regulation

109 & 110(4)(b) Abatement

<u>Description of discretion</u>	<u>Current Policy Decision</u>	<u>Proposed Amendment</u>
Abatement of pensions following re-employment (councillors + pre 01.04.08 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	Abatement has now been removed from LGPS 2014 and so only pre 01/04/2014 benefits can be abated. Abatement will now only happen where retirement was on redundancy efficiency or ill-health grounds	Abatement will cease to apply in all cases except where enhanced benefits have been awarded as a result of an ill-health retirement. Enhanced benefits include the award of additional pension or service, and the payment of unreduced benefits.