

**Dorset Council**

**Local Government Pension Scheme 2014 Discretions**

**Statement of Policy**

The Local Government Pension Scheme (LGPS) Regulations 2013 [R]  
 The LGPS (Transitional Provisions and Savings) Regulations 2014 [TP]  
 The LGPS (Administration) Regulations 2008 [A]  
 The LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended) [B]  
 The LGPS (Transitional Provisions) Regulations 2008 [T]  
 The LGPS Regulations 1997 (as amended) [L]  
 The LGPS (Miscellaneous Regulations) 2012 [E]  
 The LGPS Regulation 1995 [C]

**Part A – Compulsory Policy Statement**

<b>Regulation</b>	<b>Policy Recommendations</b>
<p><b>Regulations 16(2)(e) and 16(4)(d) [R]</b></p> <p><u>Power of employing authority to contribute to a shared cost APC scheme</u></p> <p>Whether, where an active member wishes to purchase extra annual pension of up to £6,822 (figure at 1 April 2018) by making additional pension contributions (APCs), to <b>voluntarily</b> contribute towards the cost of purchasing that extra pension via a shared cost additional pension contribution (SCAPC)</p>	<p>The Council will not normally fund any APC arrangement voluntarily entered into, except in cases specifically agreed by the relevant decision making body on exceptional compassionate grounds.</p> <p>(This statement does not apply in cases where the shared cost APC is to cover a period of authorised unpaid leave)</p>
<p><b>Sch 2, para 1 (1) (c) [TP]</b></p> <p><u>Power of employing authority to apply 85 Year Rule (always excludes flexible retirement) upon the voluntary early payment of deferred benefits</u></p> <p>Whether to "switch on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits where the employer has "switched on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60.</p>	<p>The Council will not normally switch on the 85 Year Rule, or waive the actuarial reduction in benefits from pre 01/04/2014 membership, for a member voluntarily drawing benefits on or after age 55 on exceptional compassionate grounds.</p> <p>Each case will be considered on its own merits, ensuring that the decision can be objectively justified and that potential discrimination issues are fully considered.</p>

Regulation	Policy Recommendations
<p><b>Regulation 30 (6) [R]</b></p> <p><u>Flexible retirement</u></p> <p>Whether all or some benefits can be paid if an employee aged 55 or over reduces their hours or grade (flexible retirement)</p> <p>Whether, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw), to permit the member to choose to draw</p> <ul style="list-style-type: none"> <li>• all, part or none of the pension benefits they accrued after 31 March 2008 and before 1 April 2014, and / or</li> <li>• all, part or none of the pension benefits they accrued after 31 March 2014</li> </ul> <p>Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.</p>	<p>The Council will consider applications for flexible retirement where there is a business case. Applications are subject to approval by the Council in accordance with the scheme of delegation on people management matters. The needs of the customer and service will be taken into account. Where there is a cost to the Council, applications must be considered by the relevant decision making body before a final decision is made.</p> <p>Such applications will normally only be approved on exceptional compassionate grounds or for exceptional business reasons. Each case will be considered on its own merits ensuring that it can be objectively justified and that potential discrimination issues are fully considered.</p> <p>Where an application for flexible retirement includes an application to waive the actuarial reduction at a cost to the council, this must be considered by the relevant decision making body before a final decision is made. Such applications will normally only be approved on exceptional compassionate grounds.</p>
<p><b>Regulation 30 (8) [R]</b></p> <p>Power of employing authority to waive actuarial reduction Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.</p>	<p>Any actuarial reduction applied due to voluntary early access to pensions benefits will normally be met by the member. Any application to waive the actuarial reduction at a cost to the Council must be considered by the relevant decision making body. Such application will normally only be made on exceptional compassionate grounds.</p>
<p><b>Regulation 31 [R]</b></p> <p>Power of employing authority to grant additional pension Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to maximum amount).</p>	<p>Additional pension will not normally be awarded except in cases specifically agreed by the relevant decision making body on exceptional compassionate grounds.</p>

Regulation	Policy Recommendations
	<p>Each case will be considered on its own merits ensuring that it can be objectively justified and that potential discrimination issues are fully considered.</p> <p>The Council will permit an employee to convert the enhanced element of a redundancy compensation payment into additional pension, at no cost to the Council.</p>
<p><b>Sch 2, para 1 (1) (c) [TP]</b></p> <p>Power of employing authority to 'switch on' the 85 year rule upon the voluntary early payment of deferred benefits</p> <p>Whether, as the 85 year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their deferred benefits (on or after 14 May 2018) on or after age 55 and before age 60, to switch the 85 year rule back on in full for such members</p> <p><i>For members (excluding councillor members) who ceased active membership between 1 April 2008 and 31 March 2014</i></p>	<p>The Council will not normally switch on the 85 Year Rule for members who ceased active membership between 1 April 2008 and 31 March 2014 and who choose to voluntarily draw their deferred benefits on or after age 55 and before age 60 except in cases specifically agreed by the relevant decision making body, on exceptional compassionate grounds.</p> <p>Each case will be considered on its own merits, ensuring that the decision can be objectively justified and that potential discrimination issues are fully considered.</p>
<p><b>Reg 30 (5) [A] &amp; para 2(1) [TP]</b></p> <p>Power of employing authority to waive upon the voluntary early payment of deferred benefits, any actuarial reduction on compassionate grounds</p>	<p>The Council will not normally waive any actuarial reduction, except in cases specifically agreed by the relevant decision making body, on exceptional compassionate grounds.</p> <p>Each case will be considered on its own merits, ensuring that the decision can be objectively justified and that potential discrimination issues are fully considered.</p>

Regulation	Policy Recommendations
<p><b>Sch 2, para 1 (1) (c) [TP]</b></p> <p>Power of employing authority to `switch on' the 85 year rule upon the voluntary early payment of a suspended tier 3 ill health pension</p> <p>Whether, as the 85 year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their suspended tier 3 ill health pension (on or after 14 May 2018) on or after age 55 and before age 60, to switch the 85 year rule back on in full for such members</p> <p><i>For members (excluding councillor members) who ceased active membership between 1 April 2008 and 31 March 2014</i></p>	<p>The council will not normally grant early payment of a suspended tier 3 ill health pension, except in cases specifically agreed by the relevant decision making body, on exceptional compassionate grounds or for exceptional business reasons.</p> <p>Each case will be considered on its own merits, ensuring that it can be objectively justified and that potential discrimination issues are fully considered.</p>
<p><b>Reg 30A (5) [A] &amp; para 2(1) [TP]</b></p> <p>Power of employing authority to waive upon the voluntary early payment of a suspended tier 3 ill health pension, any actuarial reduction on compassionate grounds</p> <p><i>For members (excluding councillor members) who ceased active membership between 1 April 2008 and 31 March 2014</i></p>	<p>The Council will not normally switch on the 85 year rule upon the voluntary early payment of deferred benefits, except in cases specifically agreed by the relevant decision making body, on exceptional compassionate grounds or for exceptional business reasons.</p> <p>Each case will be considered on its own merits, ensuring that it can be objectively justified and that potential discrimination issues are fully considered.</p>
<p><b>Reg 31(2) [L]</b></p> <p>Power of employing authority to grant early payment of benefits on or after age 50 and prior to age 55</p> <p><i>For active and deferred councillor members and any other members who ceased active membership between 1 April 1998 and 31 March 2008</i></p>	<p>The Council will not normally grant early payment of benefits on or after age 50 and prior age 60, except in cases specifically agreed by the relevant decision making body, on exceptional compassionate grounds or for exceptional business reasons.</p>

Regulation	Policy Recommendations
<p><b>Reg 31(5) [L] &amp; sch 2, para 2(1) [TP]</b></p> <p>Power of employing authority to waive upon the payment of benefits, any actuarial reduction on compassionate grounds</p> <p><i>For active and deferred councillor members and any other members who ceased active membership between 1 April 1998 and 31 March 2008</i></p>	<p>The Council will not normally waive any actuarial reduction on compassionate grounds, except in cases specifically agreed by the relevant decision making body, on exceptional compassionate grounds or for exceptional business reasons.</p> <p>Each case will be considered on its own merits, ensuring that it can be objectively justified and that potential discrimination issues are fully considered.</p>
<p><b>Reg D11 (2)(c) [C]</b></p> <p>Power of employing authority to grant early payment of benefits on compassionate grounds</p> <p>Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before NRD on compassionate grounds</p> <p><i>For members who ceased active membership before 1 April 1998</i></p>	<p>The Council will not normally grant early payment of benefits on compassionate grounds, except in cases specifically agreed by the relevant decision making body.</p> <p>Each case will be considered on its own merits, ensuring that it can be objectively justified and that potential discrimination issues are fully considered.</p>
<p>Regulation 100 (6) of the Local Government Pension Scheme Regulations 2013</p> <p><u>Facility to extend time limits for active members to request a transfer of previous pension rights into the LGPS</u></p> <p>Where an active member requests to transfer previous pension rights into the LGPS, the member must make a request within 12 months of becoming an active member. Employers, with agreement of the Administering Authority, may allow a longer period than 12 months.</p>	<p>The Council will not normally extend the 12 month option period except in cases where the available evidence indicates that it had not reasonably been possible for the member to meet the timeframe. Each case will be considered on its merits by the relevant decision making body, ensuring that it can be objectively justified and that potential discrimination issues are fully considered.</p>

## Part B – Non Compulsory Policy Statement

Regulation	Policy Recommendations
<p><b>Regulation 9 &amp; 10 [R]</b></p> <p>Contributions payable by active members</p> <p>How the pensions 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 Scheme 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</p>	<p>The Council will allocate employees to LGPS pay bands based on an estimation of their annual pensionable pay.</p> <p>The Council will review the allocation to pay bands at least once a year. Reviews will normally be undertaken at 1 April each year and may also be undertaken during the year if the Council considers it is reasonable to do so, following a material change which affects the member's pensionable pay.</p> <p>Each case will be considered on its own merits, ensuring that it can be objectively justified and that potential discrimination issues are fully considered.</p>
<p><b>Regulation 22 (7) (b) and (8) &amp; 10(6) [TP]</b></p> <p>Facility to extend time limits for active members to not aggregate deferred periods of LGPS membership</p> <p>Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment or ongoing concurrent employment.</p>	<p>The Council will not normally extend the twelve month option period except in cases where the available evidence indicates that it had not reasonably been possible for the member to meet the time frame. Each case will be considered on its own merits, ensuring that it can be objectively justified and that potential discrimination issues are fully considered.</p>
<p><b>Regulation 100 (6) [R]</b></p> <p>Facility to extend time limits for active members to request a transfer of previous pension rights into the LGPS Where an active member requests to transfer previous pension rights into the LGPS, the member must make a request within 12 months of becoming an active member.</p> <p>Employers, with agreement of Administering Authority, may allow a longer period than 12 months.</p> <p>Joint discretion with Admin Authority</p>	<p>The Council will not normally extend the twelve month option period except in cases where the available evidence indicates that it had not reasonably been possible for the member to meet the timeframe. Each case will be considered on its own merits, ensuring that it can be objectively justified and that potential discrimination issues are fully considered.</p>

Regulation	Policy Recommendations
<p><b>Reg 17 &amp; 15(2A) [TP]</b></p> <p>Power of employing authority to determine whether to, how much and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement</p>	<p>The Council will pay shared cost additional voluntary contributions (SCAVC) where an employee has elected to pay AVCs by salary sacrifice. The amount of these employer SCAVC contributions will not exceed the amount of salary sacrificed by the employee. This is a Council discretion which is subject to the employee meeting the Council's conditions for acceptance into the salary sacrifice shared cost AVC scheme and may be withdrawn or changed at any time.</p>
<p><b>Reg 17 &amp; 15(2A) [TP]</b></p> <p>Power of employing authority to determine whether to extend the time limit for a member to elect to purchase additional pension by way of a shared cost additional pension contribution (SCAPC) upon return from a period of absence</p> <p>Whether to extend the 30 day deadline for member to elect for a SCAPC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave)</p>	<p>The Council will not normally extend the twelve month option period except in cases where the available evidence indicates that it had not reasonably been possible for the member to meet the time frame. Each case will be considered on its own merits, ensuring that it can be objectively justified and that potential discrimination issues are fully considered.</p>

**Note**

In the case of decisions regarding the Chief Executive and Senior Leadership Team, these must be approved by the Leader or the Leader's nominee.

Other non-compulsory discretions are available for Dorset Council to consider, and cases where these may arise in the future will be considered on an individual basis; the merits of each case being fully investigated. The process to consider and sign-off discretions will be appended to this document, once the new organisational structure has been confirmed.

These policies may be subject to review from time to time. Any subsequent change in this Policy Statement will be notified to affected employees.