

## **APPENDIX A**

# Discretions policy

**The Local Government Pension Scheme Regulations 2013 (*prefix R*)**

**The Local Government Pension Scheme (Transitional Provisions & Savings) Regulations 2014 (*prefix TP*)**

**The Local Government (Early Termination of employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (*prefix C*)**

Employer name: Exeter City Council

Policy effective from: \_\_\_\_\_

Regulation R9(1) & R9(3)	Policy decision
<p><b>Contribution Rates</b></p> <p>An employer needs to determine how the rate of employee contributions will be calculated.</p>	<p>The employee contribution rate will be re-assessed annually using the previous tax year's pensionable earnings. Amendments will be made during the year if there is a material change to their pensionable earnings. For new employees the rate will be determined based on expected annual pensionable pay for the scheme year.</p>
Regulation R16(2)(e) & R16(4)(d)	Policy decision
<p><b>Shared Cost Additional Pension Scheme</b></p> <p>An employer can choose to pay for or contribute towards a member's Additional Pension Contract via a Shared Cost Additional Pension Contract (SCAPC)</p>	<p>The Council does not apply this discretion.</p>
Regulation R30(6) & TP11(2)	Policy decision
<p><b>Flexible Retirement</b></p> <p>Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade.</p> <p>In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights.</p>	<p>Requests for flexible retirement are considered on the basis of the individual merits of each case taking account the business case, cost to the Council and ability to reduce hours and/or grade of the employee.</p> <p>This discretion will only be considered on the grounds of exceptional hardship / compassion.</p>

Regulation R30(8)	Policy decision
<p><b>Waiving of actuarial reduction</b></p> <p>Employers have the power to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members benefits paid on the grounds of flexible retirement.</p> <p>Employers may also waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to member's benefits for deferred members and suspended tier 3 ill health pensioners who elect to draw benefits on or after age 60 and before normal pension age</p> <p>Employers also have the power to waive, in whole or in part, the actuarial reduction applied to active members benefits when a member chooses to voluntarily draw benefits on or after age 55 and before age 60.</p>	<p>These discretions will only be considered on the grounds of exceptional hardship / compassion.</p>
RegulationTPsch2,para 2(2)&2(3)	Policy decision
<p><b>Power of employing authority to 'switch on' the 85 Year Rule</b></p> <p>An employer can choose whether to "switch on" 85 year rule for members who voluntarily retire on or after age 55 and before age 60.</p> <p>An employer can also choose to waive, on compassionate grounds, the actuarial reduction applied to benefits for a member voluntarily drawing benefits on or after age 55 and before age 60.</p>	<p>This discretion will only be considered on the grounds of exceptional hardship / compassion.</p>
Regulation R31	Policy decision
<p><b>Power of employing authority to grant additional pension</b></p> <p>An employer can choose 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 £6,500* per annum)</p> <p>(* the figure of £6,500 will be increased each April under Pensions Increase orders)</p>	<p>The Council has chosen not to apply this discretion and therefore granting of additional pension is not allowed.</p>

Regulation C5 & C6	Policy decision
<p><b>Compensation regulations</b></p> <p>An employer has the ability to base redundancy payments on an actual weeks pay where this exceeds the statutory weeks' pay limit.</p> <p>An employer has the ability to award compensation of up to 104 weeks' pay to employees whose termination is by reason of redundancy or efficiency of service.</p>	<p>A weeks pay for redundancy calculations will be based on the employees actual pay and not capped at the statutory maximum.</p> <p>The compensation payment will be calculated on the statutory number of weeks pay due multiplied by 2, not exceeding 60 weeks pay. The compensation payment will be inclusive of statutory redundancy pay.</p>

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

Signed on behalf of: \_\_\_\_\_

Signature of authorised officer: \_\_\_\_\_

Date: \_\_\_\_\_

Print name of authorised officer: \_\_\_\_\_

Job title: \_\_\_\_\_

**APPENDIX B**

# Discretions policy

## **The Local Government Pension Scheme Regulations 2008**

(Benefits, Membership and Contributions)

Employer name: EXETER CITY COUNCIL

Policy effective from: \_\_\_\_\_

Regulation B12	Policy decision
<p><b>Power of employing authority to increase total membership of active members</b></p> <p>An employer may agree to increase the total membership of an active member who is leaving on grounds of redundancy / efficiency on or before 31st March 2014. The maximum award (including additional membership in respect of different employments) must not exceed 10 years.</p> <p>An employer may also agree to award augmented service to a member up to 6 months after they have left employment provided that their termination of employment was on redundancy/efficiency grounds and date of leaving was before 1st April 2014.</p> <p><b>NB</b> This is a time limit discretion which expires on 30th September 2014 for those whose employment is terminated on 31st March 2014.</p>	<p>The Council has chosen not to apply this discretion and therefore no increase in service or augmentation of service is allowed.</p>
Regulation B18	Policy decision
<p><b>Flexible retirement</b></p> <p>Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade.</p> <p>In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights.</p>	<p>Requests for flexible retirement are considered on the basis of the individual merits of each case taking account the business case, cost to the Council and ability to reduce hours and/or grade of the employee.</p> <p>This discretion will only be considered on the grounds of exceptional hardship / compassion.</p>

Regulation B30	Policy Decision
<p><b>Choice of early payment of pension</b></p> <p><b>B30(2)</b> Employers can also allow the early payment of deferred benefits to former members of the LGPS between the ages of 55 and 59.</p> <p><b>Please note where a deferred member left the LGPS before 1 April 2008 the employer policy under the 1997 Regulations will apply.</b></p> <p><b>B30A(3)</b> Employers may also grant an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60.</p> <p><b>B30(5) &amp; B30A(5)</b> In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights.</p>	<p>This discretion will only be used where the deferred member was not dismissed from their employment (save for redundancy) and there is no cost to the Council (unless the request is being made on and meets exceptional hardship / compassion grounds).</p> <p>These discretions will only be considered on the grounds of exceptional hardship / compassion.</p>

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Signed on behalf of: \_\_\_\_\_

Signature of authorised officer: \_\_\_\_\_

Date: \_\_\_\_\_

Print name of authorised officer: \_\_\_\_\_

Job title: \_\_\_\_\_