

**BERNESLAI HOMES (00321)**

**LOCAL GOVERNMENT PENSION  
SCHEME REGULATIONS 2014**

**EMPLOYER DISCRETIONS  
POLICY STATEMENT**

## Discretions of the Employing Authority

COMPULSORY DISCRETIONS		
Main Purpose of Regulation	Regulation	Discretion Exercised
Funding of Additional Pension through a Shared Cost Additional Pension Contribution - Where an active Scheme member wishes to purchase extra annual pension up to the maximum by making Additional Pension Contributions (APCs), the employer may choose to (voluntarily) contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).	Regulation 16 (2)(e) and/or 16 (4)(d)	<p>The Regulation allows the company to pay all or part of the regular contributions or lump sum to be paid as a result of an employee's election to pay additional contributions.</p> <p>As a result of the costs involved and the likelihood of this provision either being of little or no benefit to Berneslai Homes, or not being vital to the support and application of the company's business plan and strategy, then Berneslai Homes would not normally expect to exercise its discretion to fund additional pensions for members either through regular contributions or lump sum contributions. However, each and every application will be considered in the light of the circumstances of the individual case concerned and a decision reached on the merits of that case.</p>
Flexible Retirement - This regulation allows the employer to consent to the early release of all, or part, of a member's LGPS benefits provided they have also consented to the reduction of hours worked or grade in which	Flexible retirement, Regulation 30 (6)	<p>The Regulation allows an active scheme member who reduces their hours or grade to request to receive all or part of their accrued pension benefits.</p> <p>Berneslai Homes seeks to support the principle of allowing members to prepare for retirement in as many ways as possible. In this it also seeks</p>

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the member is employed. The member must be aged 55 or over.		<p>to support Government Policy where that policy supports the company in its efforts to run its business and services in the most efficient and cost-effective manner. As such, subject to the following criteria, Berneslai Homes would normally expect to exercise its discretion in allowing members to retire flexibly:</p> <ul style="list-style-type: none"> <li>• Any reduction in working hours or salary must be permanent</li> <li>• Any reduction in working hours or salary must be at least 20% of those hours or that salary being worked or earned immediately prior to the member's flexible retirement</li> <li>• The reduction in hours or reduction in responsibility allowing the member to be paid a reduced salary must not impact upon the company's ability to carry out its business efficiently and effectively</li> <li>• The individual flexible retirement concerned must support the organisation's overall business plan and strategy</li> </ul> <p>Berneslai Homes reserves the right, having considered each individual case, to refuse an application where any of the above criteria are not met</p> <p>A separate Flexible Retirement Policy is in place which provides full details of the process to be followed when considering flexible retirement.</p>

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<p>Waiving of actuarial reduction - This regulation allows the employer to consent to the early release of all, or part, of a member's LGPS benefits provided they have also consented to the reduction of hours worked or grade in which the member is employed. The member must be aged 55 or over.</p>	<p>Regulation 30 (8)</p>	<p>The Regulation allows for the waiving of the actuarial reduction in the case where a scheme member voluntarily retires early.</p> <p>As a result of the additional costs involved to the company in waiving the actuarial reduction to member benefits in cases of voluntary retirement (resignation) it is not envisaged that the company would normally exercise its discretion in favour of waiving those reductions. However, each case will be considered on its merits and with reference to the circumstances involved of the individual concerned.</p>
<p>Switching on the 85-year rule for members voluntarily drawing benefits on or after age 55 and before age 60 -</p> <p>Whilst the 85-year rule does not automatically apply in full if the employee decides to voluntarily draw benefits on or after age 55 and before age 60, this regulation allows the employer to switch the rule back on.</p>	<p>Schedule 2 of the Transitional Regulations.</p>	<p>The Regulation allows employers to determine whether to utilise the '85-year rule' for members voluntarily accessing benefits on or after age 55 and before 60.</p> <p>As a result of the potential impact on the Fund Valuation and the future additional costs that the exercise of this discretion would bring to Berneslai Homes, and the fact that the company does not deem the exercise of this discretion to be necessary in the pursuit of its overall business plan and strategy then it is not anticipated that there will be any instances where the company will switch on the rule of 85 for members wishing to retire voluntarily between the ages of 55 and 60. However,</p>

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If the employer switches on the 85-year rule they will pick up any strain on Fund cost.		every application will be considered on its individual merits and the circumstances involved.
The power of employing authority to award additional pension - this regulation allows an employer to resolve to award a member an amount of additional pension, up to the LGPS maximum, to an active scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.	Regulation 31	<p>The Regulation allows the employer to award additional pension to an employee on termination (subject to statutory limits).</p> <p>As a result of the costs involved and the likelihood of this provision either being of little or no benefit to Berneslai Homes or not being vital to the support and application of the company's business plan and strategy, then the company would not normally expect to exercise its discretion to award additional pension to members. However, each and every application will be considered in the light of the circumstances of the individual case concerned and a decision reached on the merits of that case.</p>

Date Revised	Date Approved	Summary of Changes	Author
April 2014	April 2014	Policy Developed	Nicola Scott, People Manager