

LEARN SHEFFIELD

**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 organisation would not normally expect to exercise its discretion to fund additional pensions for members, either through regular contributions or lump sum contributions. However, each application will be considered in the light of the circumstances of the case concerned and a decision reached on the merits of that case.</p> <p>The organisation will consider entering into a Shared Cost Additional Pension Contribution Scheme (SCAPC) agreement regarding any Employer Led Scheme that impacts on the member's pension.</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 the member is employed. The member must be aged 55 or over.	Flexible retirement, Regulation 30 (6)	<p>Subject to the following criteria, the organisation would normally expect to exercise its discretion in allowing members to retire flexibly:</p> <ul style="list-style-type: none"> • Any reduction in working hours or salary must be permanent within the current role. • Any reduction in working hours or salary, or a combination of these must be at least 40% of those hours worked or salary earned immediately prior to the member's flexible retirement • The reduction in hours or reduction in responsibility

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		<p>allowing the member to be paid a reduced salary must not impact upon the organisation's ability to carry out its business efficiently and effectively</p> <ul style="list-style-type: none"> • The cost of the flexible retirement is recovered by the resulting saving in salary cost within 2 years of the date of the flexible retirement <p>The organisation reserves the right, having considered each individual case, to refuse an application.</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.	Regulation 30 (8)	Due to the additional costs of waiving the actuarial reduction to member benefits in cases of voluntary retirement it is not envisaged that the organisation 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.
Switching on the 85-year rule for members voluntarily drawing benefits on or after age 55 and before age 60 - Whilst the 85-year rule does not automatically apply in full if the	Schedule 2 of the Transitional Regulations.	Due to the future additional costs that the exercise of this discretion would bring to the organisation, it is not anticipated that there will be any instances where the organisation will switch on the rule of 85 for members wishing to retire voluntarily between the ages of 55 and 60. However, every application will be considered

COMPULSORY DISCRETIONS		
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<p>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>If the employer switches on the 85-year rule they will pick up any strain on Fund cost.</p>		on its individual merits and the circumstances involved.
<p>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.</p>	Regulation 31	Due to the additional costs involved, the organisation 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 case concerned and a decision reached on the merits of that case.

Date Revised	Date Approved	Summary of Changes	Author
03/09/2025		Policies created – None previously held	Sam Dunker