

Sheffield City Council

**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>Due to the additional costs and the likelihood of this provision being of little or no benefit to the Council, or not being vital to the support and application of the Council's business plan and strategy, the Council 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 Council 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	Flexible retirement, Regulation 30 (6)	The Council seeks to support the principle of allowing members to prepare for retirement in as many ways as possible. In this it also seeks to support Government Policy where that policy supports the Council in its efforts to run its business and services in the most efficient and cost-effective manner. As such,

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the member is employed. The member must be aged 55 or over.		<p>subject to the following criteria, the Council 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 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 • The individual flexible retirement concerned must support the organisation's overall business plan and strategy • 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 where any of the above criteria are not met.</p>
Waiving of actuarial reduction - This regulation allows the employer to	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

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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.		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 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. If the employer switches on the 85-year rule they will pick up any strain on Fund cost.	Schedule 2 of the Transitional Regulations.	Due to the potential retrospective impact on the 2013 Fund Valuation and the future additional costs that the exercise of this discretion would bring to the organisation, and the fact that the organisation 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 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 on its individual merits and the circumstances involved.
The power of employing authority to award	Regulation 31	Due to the additional costs involved and the likelihood of this provision either being of little or no benefit to

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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.		the organisation, or not being vital to the support and application of the organisation's business plan and strategy, then 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
April 2014		Initial Document	HR Service
July 2020			HR Service