

# **SOUTH YORKSHIRE FIRE AND RESCUE**

## **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>Regulation 16 of the Benefits Membership &amp; Contributions Regulations 2013 allows employers to provide an extra period of membership to an active member.</p> <p>The augmentation of pensionable service will only be considered after taking the following into consideration:</p> <ul style="list-style-type: none"> <li>• the member's personal circumstances</li> <li>• the interests of SYFR</li> <li>• the additional contributions due to the Fund by SYFR in respect of the exercise of this discretion</li> <li>• any potential benefits or savings to SYFR arising from the exercise of this discretion</li> <li>• other options that are, from time to time, available under SYFR's severance arrangements</li> <li>• the funding position of SYFR within the South Yorkshire Pension Fund</li> <li>• the ability of SYFR to meet the cost of granting such an award.</li> </ul>
Flexible Retirement - This regulation allows the employer to consent to	Flexible retirement,	Regulation 30 (6) of the Benefits Regulations allows employers to allow members who have permanently reduced their hours of

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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 (6)	<p>work, or their grade, and who are age 55 or over, to elect to take their benefits early (either in whole or in part) whilst continuing in employment and Fund membership.</p> <p>Under the conditions of Flexible Retirement the individual would be required to have an amendment to their current contract of employment resulting in a reduction to their hours or work or annual salary by at least 40%. The reduction in salary would be achieved by either reducing the individual's working hours or moving the individual to a suitable lower graded post which they meet the minimum essential criteria for.</p> <p>SYFR will assess what constitutes an acceptable reduction in salary on a case by case basis.</p> <p>Where flexible retirement for an employee who is over the age of 55 but under the age of 60 results in a strain on fund cost, SYFR will not agree to waive the cost of any actuarial reduction.</p> <p>The acceptance of applications for Flexible Retirement is at the discretion of the Organisation and the following criteria will be considered:</p> <ul style="list-style-type: none"> <li>• Whether the request would result in a cost to the organisation</li> </ul>

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		<ul style="list-style-type: none"> <li>• The effect of the application on the department</li> <li>• The ability to recruit suitable new/additional staff if necessary</li> <li>• Any planned structural changes</li> <li>• Your personal circumstances</li> <li>• Your current absence, performance and discipline record</li> </ul>
<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>Regulation 30 (8) of the Benefits Membership &amp; Contributions Regulations 2013 allows employers to allow members who have left the scheme and who are over the age of 55 to take their benefits early.</p> <p>Applications for the early payment of pension benefits will be considered taking the following into consideration:</p> <ul style="list-style-type: none"> <li>• the operating requirements of the employing department</li> <li>• the ability to meet the cost of granting the request</li> <li>• whether any further costs savings can be made in addition to potential savings made as a result of any severance arrangements.</li> <li>• the member's personal circumstances</li> </ul> <p>No early release of benefits will be approved below age 60</p>

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		<p>where a strain cost would arise unless the former employee is either the primary carer of a dependant relative or requires special care. Only in this case, where the employee can evidence these circumstances will SYFR consider early release of the member's pension on compassionate grounds and waive any actuarial reduction that may apply.</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>If the employer switches on the 85-year rule they will pick up any strain on Fund cost.</p>	<p>Schedule 2 of the Transitional Regulations.</p>	<p>The Rule of 85 (Schedule 2 of the Transitional Regulations) is satisfied if a scheme member's age at the date they draw their pension and their scheme membership (each in whole years) add up to 85 or more. All members of the LGPS who were active members at any point between 1 April 1998 and 30 September 2006 hold 85 year protection on benefits built up before 1 April 2008.</p> <p>The Rule of 85 does not automatically apply if the employee decides to voluntarily draw benefits on or after age 55 and before age 60. Due to the strain on fund cost, SYFR will not agree to apply the 85 year rule to a scheme member in these circumstances and employees will be required to meet any strain on fund costs via the actuarial reduction applied to the pension, unless in agreeing to do so it meets the</p>

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		<p>specific requirements within the Early Voluntary Release (EVR) Policy.</p> <p>The EVR policy States:</p> <p>In certain cases it is possible to agree early release of pension if requested. This request might be made where your combined age and LGPS membership adds up to 85 or more (i.e. Rule of 85) where you can retire with a pension and no actuarial reduction. If you are a member of the LGPS, you should seek advice from South Yorkshire Pensions Authority (SYPA) as to whether you are covered by transitional protection following the removal of the Rule of 85.</p> <p>Where savings generated can be shown to outweigh the costs incurred, and your post meets the criteria of the overall Corporate Strategies, then the Fire Authority may allow applications for early release if you are a LGPS member over the age of 55 and under the age of 60 who satisfies the 'Rule of 85'.</p> <p>If your application meets the cost and Corporate strategy but you fail to satisfy the 'Rule of 85' then the Fire Authority may allow your application and release actuarially reduced benefits. However consideration may be given to waiving the actuarial reduction on compassionate grounds</p>

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		<p>if the conditions of the LGPS Discretions Policy are satisfied.</p> <p>If you are a LGPS member aged 55 or over who joined the LGPS after 1st October 2006 you are not subject to Rule of 85 but can apply for actuarially reduced benefits, subject to the conditions set out in the Local Government Pension Scheme – Discretions Policy.</p>
<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	<p>Regulation 31 of the Benefits Membership &amp; Contributions Regulations 2013 allows employers to award a member an additional pension up to a maximum of £ 8,903 per annum, 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> <p>SYFR will only consider the award of additional pension after taking the following into consideration:</p> <ul style="list-style-type: none"> <li>• the member's personal circumstances</li> <li>• the interests of SYFR</li> <li>• the additional contributions due to the Fund by SYFR in respect of the exercise of this discretion</li> <li>• any potential benefits or savings to SYFR arising from the exercise of this discretion</li> </ul>

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		<ul style="list-style-type: none"> <li>other options that are, from time to time, available under SYFR'S severance arrangements</li> <li>the funding position of SYFR within the South Yorkshire Pension Fund</li> </ul> <p>the ability of SYFR to meet the cost of granting such an award</p>

Date Revised	Date Approved	Summary of Changes	Author
30/09/2025	30/09/2025	N/A	T.Pope – People Partner