

**The Chief Constable**

**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><u>Policy Decision</u></p> <p>South Yorkshire Police will not normally agree to fund any part of additional pension contributions because of the costs likely to be involved and the likelihood that little or no benefit will arise for the organisation. However, each case will be determined on its own merits following full consideration of the circumstances.</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><u>Policy Decision</u></p> <p>South Yorkshire Police will normally consent to flexible retirement to be granted in circumstances where there is no cost to the organisation, provided that the employee has reduced working hours by applying for hours at least 20% less than current contracted hours or a role at least one grade lower, for a period of at least 12 months.</p> <p>The reduction in hours or the reduction or grade 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> <p>South Yorkshire Police will not normally waive the actuarial reduction and would only consider doing so in exceptional</p> |

| COMPULSORY DISCRETIONS  |  |  |
|---|--|--|
| Main Purpose of Regulation  | Regulation   | Discretion Exercised   |
|   |  | <p>circumstances where SYP can demonstrate improved organisational effectiveness resulting from payments made under this discretion.</p> <p>Each case will be judged fairly on its own individual merits.</p> <p>The Flexible Retirement policy guidance is linked on the right of the page.</p>   |
| <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><u>Policy Decision</u></p> <p>South Yorkshire Police will not normally waive the actuarial reduction, and would only consider doing so in exceptional circumstances. These may include compassionate grounds, such as where the employee has been forced to cease work to take up a caring role for an immediate family member, although it is recognised that other grounds could and may exist, or situations where SYP can demonstrate improved organisational effectiveness resulting from payments made under this discretion. Financial hardship alone would not constitute 'compassionate grounds'.</p> <p>Each case will be judged fairly on its own individual merits following full consideration of the financial implications of waiving the reduction.</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</p>  | <p>Schedule 2 of the Transitional Regulations.</p> | <p><u>Policy Decision</u></p> <p>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 in 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,</p>   |

| COMPULSORY DISCRETIONS   |               |  |
|--|---------------|--|
| Main Purpose of Regulation   | Regulation    | Discretion Exercised   |
| <p>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>every application will be considered on its individual merits following full consideration of the circumstances.</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><u>Policy Decision</u></p> <p>South Yorkshire Police will not normally agree to fund any part of additional pension contributions because of the costs likely to be involved and the likelihood that little or no benefit will arise for the organisation. However, each case will be determined on its own merits following full consideration of the circumstances.</p> |

Date Revised

Date Approved

Summary of Changes

Author

