

THORNE MOORENDS TOWN 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)	Because of the costs involved and the likelihood of this provision either being of little or no benefit to the organisation, or not being vital to support and application of the organisation's business plan and strategy, then 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 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.
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)	The organisation 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 organisation in its efforts to run its business and services in the most efficient and cost effective manner. As such, the organisation would normally expect to exercise its discretion in allowing members to retire flexibly.

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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>Because of the additional costs involved to the organisation 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.</p> <p>However, each case will be considered on its merits and with reference to the circumstances involved of the individual concerned. A potential exception to this policy would be where the individual can make a case for the waiving of such a reduction to be granted on compassionate grounds.</p> <p>An example of "compassionate grounds" may be where the member 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.</p> <p>Every application will be considered on the circumstances of the individual concerned.</p> <p>Financial hardship alone would not constitute "compassionate grounds"</p>
<p>Switching on the 85-year rule for members voluntarily drawing benefits on or after age 55 and before age 60 -</p>	<p>Schedule 2 of the Transitional Regulations.</p>	<p>Because of 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</p>

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<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>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.</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>Because of the costs involved and the likelihood of this provision either being of little or no benefit to 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 individual case concerned and a decision reached on the merits of that case.</p>

Date Revised	Date Approved	Summary of Changes	Author
21.08.2025	09 th September 2025	Reviewed	Sam Goodfellow

