

**Wales High School**

**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>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 fund additional pensions for members via a Shared Cost Additional Pension Contribution (SCAPC). 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> <p>The organisation will voluntary contribute to the costs of purchasing extra pension via a Shared Cost Additional Pension Contribution (SCAPC) in exceptional circumstances where we consider it is in its financial or operational interests to do so. Each case to contribute to a SCAPC (and a decision on the amount to be contributed) will be considered on the merits of the financial and / or operational business case put forward.</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>The organisation seeks to support the principle of allowing members to prepare for retirement in as many ways as possible. In this we also seek to support government policy where that policy supports the organisation in its effort to run its business and services in the most efficient and cost effective manner. As such, we would normally expect to exercise discretion in allowing members to retire flexibly, subject to the following criteria:</p> <p>1) Any reduction in working hours or salary must be permanent.</p> <p>2) 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</p>

COMPULSORY DISCRETIONS		
Main Purpose of Regulation	Regulation	Discretion Exercised
		<p>out its business efficiently and effectively.</p> <p>3) The individual flexible retirement concerned must support the organisation's overall business plan and strategy. The organisation reserves the right, having considered each individual case, to refuse an application where any of the above criteria are not met.</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>	Regulation 30 (8)	<p>Because of the additional costs involved to the organisation of waiving the actuarial reduction to member benefits in cases of voluntary retirement on or after age 55 and before National Pension Age who elect to immediately draw their benefits, and deferred members and suspended Tier 3 ill health pensions who elect to draw benefits (other than on ill health grounds) on or after 55 and before Normal Pension Age, 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 the merits of financial and / or operational business case put forward 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 in whole or in part of such a reduction to be granted on compassionate grounds. 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 may exist. Every application will be considered on the circumstances of the individual concerned. Financial hardship alone</p>

COMPULSORY DISCRETIONS		
Main Purpose of Regulation	Regulation	Discretion Exercised
		would not constitute 'compassionate grounds'.
<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>	Schedule 2 of the Transitional Regulations.	<p>Because of the potential impact of the Fund Valuations and any 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 apply the rule 85 for members wishing to retire voluntarily between the ages of 55 and 60. However, every application will be considered on the merits of the financial and / or operational business case put forward.</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.	Regulation 31	<p>Because of the costs involved and the likelihood of this provision either being a 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 active scheme members or, within 6 months of leaving, to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency except in exceptional circumstances where we consider it is in its financial or operational interests to do so. However, each and every application will be considered in the light</p>

COMPULSORY DISCRETIONS		
Main Purpose of Regulation	Regulation	Discretion Exercised
		of the circumstances of the individual case concerned and a decision reached on the financial and / or operational merits of this case.

Date Revised	Date Approved	Summary of Changes	Author