An Employers Guide to Discretions in the Local Government Pension Scheme (LGPS)
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Disclaimer: The information contained in this guide is Peninsula Pensions interpretation of the current regulations. Changes to rules and regulations can happen at short notice and may be implemented prior to us being able to issue revised documentation. Readers should take their own legal / financial advice on the interpretation of any particular piece of legislation. No responsibility whatsoever will be assumed by Peninsula Pensions for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in this guide.
Guidance Notes

Background and Policy Requirements

All employers who participate in the Local Government Pension Scheme are required to draw up a discretions policy in accordance with Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008, and Regulation 60 of the Local Government Pension Scheme Regulations 2013.

As an employing authority, we ask that you:

• Send a copy of your policy statement to each relevant administering authority and publish it within three months of becoming an employer within the LGPS.
• Keep your policy under review
• Make appropriate revisions to the policy following a change in your policies and send a published copy to the relevant administering authority within one month.

When preparing, or reviewing your policy, you must:

• Consider the extent to which the exercise of any of the functions under the mentioned regulations in accordance with your policy could lead to a serious loss of confidence in the public service, and
• Be satisfied that the policy is workable, affordable and reasonable having regard to foreseeable costs.

Please note: a relevant administering authority is any authority which administers the LGPS on behalf of that employer’s membership.

There are many discretions in the current regulations, together with several more extant from the previous regulations. Please see our website for a full list. However, there are only a handful of discretions where the employer is required to have a written policy statement and although not all discretions require a written policy, it may be useful for you to formulate a policy document which includes each discretion. We have included all mandatory and recommended discretions within our example template at the end of this guide.

This guidance is to provide you with an overview of the discretions available to you as an employer within the LGPS. For more in depth guidance, please see the LGPS Technical Guide.
What do you need to include?

You must prepare a written statement of your policies relating to the exercise of your functions under regulations:

Mandatory Discretions include:

- 31: Power of employing authority to grant additional pension **
- 16: Shared Cost Additional Pension *
- 18: Flexible retirement
- 30: Whether to waive upon voluntary retirement any actuarial reduction on compassionate grounds.
- TPSch 2: Power to ‘switch on’ the 85-year rule

** Pension bought by the employer under Regulation 31 isn’t reduced when bought into payment when the member is retiring on redundancy/efficiency grounds, so incurs an additional strain cost. In all other cases (except ill-health) the pension granted will be reduced, if the member is retiring before normal retirement age. Regulation 31 can be exercised within 6 months of the employee leaving on redundancy or efficiency grounds.

* Pension awarded under Regulation 16 is reduced on redundancy/efficiency retirement and the full cost must be paid to the Pension Fund while the member is still active.

Mandatory Discretions in more detail:

Reg 31 – Power of employing authority to grant additional pension

An employer can choose to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,822* per annum). (*the figure of £6,822 will be increased each April under Pensions Increase Orders)

As stated above, the additional pension bought by the employer under Regulation 31 isn’t reduced when bought into payment when the member is retiring on redundancy/efficiency grounds, so incurs an additional strain cost. In all other cases (except ill-health) the pension granted will be reduced, if the member is retiring before normal retirement age. This discretion can be exercised within 6 months of the employee leaving on redundancy or efficiency grounds.

Reg 16 - Shared Cost Additional Pension Scheme

An employer can choose to pay for or contribute towards a member’s Additional Pension Contract through a Shared Cost Additional Pension Contract (SCAPC)

Additional pension must be bought under this regulation whilst the member is still active. If they retire before their State Pension Age (SPA) (except ill-health), even on redundancy/efficiency grounds the additional pension is actuarially reduced for early payment. This means that there would be no additional strain cost to the employer because the member has effectively paid for the early payment of the additional pension by the actuarial reduction to the benefits. The only cost to the employer is the cost of paying for the additional pension as a lump sum – the full cost must be paid to the Pension Fund while the member is still active.
This discretion does not relate to cases where a member has a period of authorised unpaid leave of absence and elects to pay a SCAPC to cover the amount of ‘lost’ pension within 30 days of return to work (you may allow a longer period to pay the APC). That is because, in those cases, the Scheme employer must contribute 2/3rds of the cost to a SCAPC; there is no discretion [regulation 15(5) of the LGPS Regulations 2013].

Please Note: the amount of extra annual pension you purchase under a SCAPC arrangement* reduces the amount of extra annual pension the Scheme employer could award under Regulation 31 above. This is because the intention of the policy is that the maximum amount should include any amount of extra pension already purchased, or being purchased, by the member under regulation 14 of the LGPS (Benefits, Membership and Contributions) regulations 2007.

* (includes a SCAPC where a scheme employer is contributing 2/3rds of the cost of purchasing pension ‘lost’ during a period of absence)

R30 - Flexible Retirement
Once an employee reaches age 55, they may remain in employment (on reduced hours or grade) and draw their retirement benefits – this is called Flexible Retirement. It’s not a standard retirement option but can be offered at your discretion.

However, there are certain conditions that must be met:
- You must agree to the release of the pension.
- The employee must reduce either their hours, and/or their grade.

If you do decide to offer flexible retirement, you must formulate, publish and keep under review a separate policy and this has also been included in our example template.

When designing a flexible retirement policy, you will wish to ensure it fits with any other flexible working policies you may have. There are several factors that you may wish to consider when devising a flexible retirement policy. For example, flexible retirement may:

- be an effective means to reduce capacity
- help to avoid redundancies and the associated strain on Fund pension costs and redundancy payment/compensation costs
- enable you to retain or attain a balanced age profile within the workforce
- enable the transfer of skills / knowledge
- offer the opportunity for better succession planning and mentoring
- help retain expertise, knowledge and contacts
- offer an acceptable solution to staff who are currently a blockage to promotion or reorganisation
- help alleviate burn out and stress
- improve morale
- offer the flexibility and productivity associated with part-time working / downshifting
- help staff to
  - ease down into retirement
  - make a gradual adjustment to life without paid employment
  - gradually break free of the routine and habits of work
  - keep mentally / physically active
In deciding your flexible retirement policy, you will need to:

1. Consider whether there should be a minimum reduction in hours or grade – LGPS regulations do not specify a minimum but you might consider that, for example, an employee would have to take a minimum 20% cut in hours or a minimum reduction of one grade, before flexible retirement might be considered.

2. Consider whether the employee should commit to a reduction in hours or grade for a minimum period (say 6 months).

3. Consider whether the employee should commit to remaining in employment with the employer for a minimum period (say 1 year or to age 60 if earlier).

The policy should also set out as part of the agreement:

- whether, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw), to permit the member to choose to draw
  - all, part or none of the pension benefits they accrued after 31 March 2008 and before 1 April 2014, and / or
  - all, part or none of the pension benefits they accrued after 31 March 2014, and
  - whether to waive, in whole or in part, any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age (NPA)

Members would also have to draw any ‘additional benefits’:
- Added years purchased by the member
- Additional Voluntary Contributions (if the member chooses to draw them)
- Additional pension bought by Additional Pension Contributions (APC’s)/Shared Cost Additional Pension Contributions (SCAPC’s)
- Additional pension bought by Additional Regular Contributions (ARC’s)Additional pension awarded by the employer.

For more guidance on what to consider within your Flexible Retirement, please see the LGE Circular 193 (pages 17 to 43)

Please note: If the member takes flexible retirement at their normal retirement age then the benefits are paid without reduction, however, as most employees take flexible retirement before their normal retirement age, the benefits to be paid will be actuarially reduced in most cases. Regulations allow employers to choose to waive any reduction in whole or in part in the case of flexible retirement and if you do, a strain cost will be payable to the fund.

Any benefits paid because of flexible retirement shall not be subject to abatement under the administering authority’s abatement policy as long as the person remains in the employment of the same employer.

Reg 30(5) Whether to waive, upon voluntary retirement any actuarial reduction on compassionate grounds

As the employer, you have the power to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members’ benefits paid on the grounds of flexible retirement. Employers may also waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members’
benefits for deferred members and suspended tier 3 ill health pensioners who elect to draw benefits on or after age 60 and before normal pension age.

Employers also have the power to waive, in whole or in part, the actuarial reduction applied to active members’ benefits when a member chooses to voluntarily draw benefits on or after age 55 before age 60 and on or after age 60 and before Normal Pension Age (NPA).

Reg TP1(1) - Power of an employer to ‘switch on’ the 85-year rule
The LGPS (Transitional Provisions and Savings) Regulations 2014 require employers to have a policy on whether to agree to apply the 85-year rule to a scheme member wishing to voluntarily draw (non-flexible retirement) benefits on or after 55 and before age 60.

The 85-year rule does not automatically apply if the employee decides to voluntarily draw (non-flexible retirement) benefits on or after age 55 and before age 60 but you can agree to apply the 85-year rule. If you do, you would have to meet any strain cost (as under the 2008 Scheme). If you do not agree to apply the 85-year rule, the scheme member would meet any strain on the fund via an actuarial reduction applied to their pension. However, you do also have the discretion to waive actuarial reductions applied to a member’s benefit but this would also incur a strain cost.

- You can choose whether to switch on the 85-year rule for members who voluntarily retire on or after age 55 and before age 60 (excluding flexible retirement).
- You can also choose to waive, on compassionate grounds, the actuarial reduction applied to benefits for a member voluntarily drawing benefits on or after age 55 and before age 60.
- You can decide whether to switch on the 85-year rule upon voluntary payment of deferred benefits in relation to deferred members (and councillor members) who ceased active membership between 1st April 1998 and 31st March 2008, and members (excluding councillors) who ceased active membership between 1st April 2008 and 31st March 2014.
- You can decide to switch on the 85-year rule upon voluntary early payment of a suspended Ill-Health tier 3 pension for members who ceased active membership between 1st April 2008 and 31st March 2014.

Non-Mandatory/Recommended Discretions

There is no requirement to have a written policy for non-mandatory discretions. However, it is advised that you have a written policy in order so that both the member and Peninsula Pensions can be clear on your policy.

Regulation R17 (1) and TP15 (1) (d) and A25 (3) and definition of SCAVC in RSch 1
Whether, how much, and in what circumstances to contribute to a SCAVC.

Whether to extend the 12-month period for post 31st March 2014 (or a combination of pre and post 14) not to be amalgamated.
A member has 12 months from starting a new post to elect to keep previous pension accounts separate from any new post. If they do not elect the pension account is automatically amalgamated to the current post. As an employer you can extend the 12-month period the member has to make an election.
Whether to extend the 12-month period for pre-1st April 2014 deferred benefits to be amalgamated.
A member has 12 months from starting a new post to elect to amalgamate pre-1st April 2014 deferred benefits to any new post. If they do not elect the pension account is automatically kept separate. As an employer you can extend the 12-month period the member has to make an election.

R100 (6) - Extend the normal time limit for acceptance of a transfer value beyond 12 months.
A member must elect to transfer any previous pension rights to the Local Government Pension Scheme within 12 months of their date of joining the scheme. After this it becomes the employer’s discretion to allow this.

R9(1) & R9(3) - Determine rate of employees’ contributions and when the contribution rate will be assessed
You must decide:
- how the pension band (which an employee is allocated to on joining the Scheme, and then each April) will be determined and
- the circumstances in which you will, in addition to review each April, review the contribution band to which the employee has been allocated following a material change. See Sections 2A, 2B, 4,5, and 10 of the HR guide.

Other Regulations that require you to have a separate policy:

Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations
Under Regulation 7 of the Discretionary Compensation Regulations 2006 and Regulation 26 of the Discretionary Compensation Regulations 2000, each authority (other than an Admitted Body) is required to formulate and keep under review a policy about discretionary compensation. Please see the full list of discretions for more guidance.

Discretions for scheme members (excluding councillor members) who ceased active membership before 1.4.14
It is necessary to draw up a new list of discretions for pre-1st April 2014 leavers, if applicable. For example, the need for you to consent to applications for early payment of benefits to employees under the age of 60 ceased on 1st April 2014 as there is no equivalent ‘consent’ provision now. However, as there could be some employees who may need to still seek their employer consent to the early release of their deferred benefits due to the regulations applied at the time of leaving, you will have to have a policy about this. Again, these are covered in our example template.
Points for employers to consider when setting policies

Costs
This may go without saying, but exercising discretionary powers comes at a price. As an employer, you are required to formulate policies that do not lead to loss of confidence in public service. It follows, therefore, that these policies should be affordable.

Exercising the major discretions may result in a cost to the employer (commonly called ‘pension strain’). However, you can get an estimate of the strain cost from Peninsula Pensions before deciding whether to apply a discretion or not. This is only an option if you have stated in your policy that you may allow discretion or make a decision on a case-for-case basis.

Fettering discretions (restricting or limiting)
Your pension policy should show the basis on which the employer would make its decisions on the various discretions.

The government has advised you should not ‘fetter your discretion’: “your policy should not be so rigid or restrictive as to prevent flexibility where a (possibly unanticipated) situation requires it.”

It is not advisable just to simply state you will not apply a discretion as this will restrict your flexibility and bind you to make the same decision in every single case. Advice from the government is that in these cases, you can state that its normal policy is not to exercise the discretion but then goes onto explain the circumstances where the discretion might be exercised.

For example: ‘The authority will not exercise discretion x on grounds of cost, except in exceptional circumstances where there is clear merit or where the cost to the authority is not considered to be significant or material’

Or:

“This discretion will only be exercised in the most exceptional circumstances having regard to the Council’s general policies and the circumstances of the case.”

Or:

The xxxxx Council will only consider exercising these discretions in the most exceptional circumstances having regard to the following:
- The interests of the Council;
- Any potential benefits or savings to the Council;
- Other options that are, from time to time, available under the Council's severance arrangements;
- The member’s personal circumstances;
- The additional contributions due to the Fund;
- The ability of the Council to meet the cost of granting such an award;
- The funding position of the Council within the xx Pension Fund.”

Anti-discrimination laws
In drafting any policy, you should consider the age regulations, whether the policy is on an ‘each case on its merits’ or, one that applies a standard approach, or even one that uses either approach depending on the circumstances.
The policy will need either to be free of age influence, or if age-related criteria or criteria that could be indirectly age discriminatory are used, you should be reasonably assured that the policy falls within the exceptions provided by the age regulations. If not, you would need to be able to defend any claim of age discrimination by satisfying a tribunal that its policy is objectively justified. In order to do so, the employer would have to demonstrate that the policy pursues a legitimate aim and that it is proportionate (in other words, it is an appropriate and necessary means of achieving that aim). You will need to provide real evidence to support any claim of objective justification. Assertion alone will not be sufficient, and each case must be considered on its individual merits.

Age discrimination is not the only form of discrimination that must be avoided but it is the forefront of most policy makers’ minds. Care needs to be taken, also, to make sure that the criteria do not discriminate on other grounds, such as:

- Gender
- Race
- Disability
- Sexual orientation
- Religion, or
- Belief

Why ‘follow my leader’ isn’t necessarily sensible

Some employers play ‘follow my leader’ and wait for the lead authority that holds the pension fund for their area to issue their employer discretions policy. A simple ‘copy and paste’ procedure then follows, with a ‘top and tail’ to make it their own.

Quite often, the lead authority is the biggest employer in the local fund. It is thought of as the local expert in the LGPS and that it’s sensible to follow its lead. However, the membership demographics and funding levels of one employer are unlikely to match that of another, so following the lead authority may not be appropriate.

We advise you, therefore, to consider the issues outlined in these notes and formulate their own policies based on their membership base and budgetary constraints.

Remember, your policy needs to be:
**Workable** – easy and definitive
**Affordable** – fits in with your budget
**Reasonable** – fair or ‘not unreasonable’
**Foreseeable** – affordable for the future budget (2/3 years)

If you need further advice about setting up an Employer’s Discretion Policy, please contact Mark Griffin on 01392 385372 or via email mark.griffin@devon.gov.uk
Additional Notes

Discretions to be exercised on and after 1 April 2014 (as at 14 May 2018) in relation to active and deferred councillor members and any other members who ceased active membership between 1 April 1998 and 31 March 2008

By virtue of regulations 24(a), 30(e) and 30(f) of the LGPS (Amendment) Regulations 2018, with effect from 14 May 2018, the mandatory discretion to obtain a Scheme employer’s approval for the voluntary early payment of a deferred benefit, on or after age 55 and prior to age 60, has been removed (though this discretion remains in place for payment on or after age 50 and prior to age 55).

By virtue of regulation 106 of the Local Government Pension Scheme Regulations 1997 and regulation 60 of the LGPS Regulations 2013 by virtue of paragraph 2(2) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 Scheme employers are required to have a policy in relation to three specific mandatory discretions. These are:

Mandatory discretion – NEW: whether to ‘switch on’ the 85 year rule upon the voluntary early payment of deferred benefits?
Whether, as the 85 year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their deferred benefits (on or after 14 May 2018) on or after age 55 and before age 60, to switch the 85 year rule back on in full for such members [paragraph 1(1)(f) & 1(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014].

Mandatory discretion – AMENDED: whether to grant early payment of benefits on or after age 50 and prior to age 55
Whether to grant applications for the early payment of pension benefits on or after age 50 and before age 55 [regulation 31(2) of the LGPS Regulations 1997].

Mandatory discretion - whether to waive upon the payment of benefits, any actuarial reduction on compassionate grounds
Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65 [regulation 31(5) of the LGPS Regulations 1997 and paragraph 2(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014]. For more information see paragraph 5 within the section titled ‘Summary of the key discretions to be exercised on and after 1 April 2014 (as at 14 May 2018) in relation to active members (excluding councillor members) and members (excluding councillor members) who cease active membership after 31 March 2014’.

Summary of the discretions to be exercised on and after 1 April 2014 (as at 14 May 2018) in relation to members who ceased active membership before 1 April 1998:
There is only one mandatory discretion to be determined upon under the LGPS Regulations 1995 [by virtue of regulation 2 the LGPS (Transitional Provisions) Regulations 1997 – although the common provisions do not specify regulation D11(2)(c) noted below, we understand that it was their intention that they should do so] Scheme employers (employing authorities) must formulate, publish and keep under review a statement of policy on:

Mandatory discretion - whether to grant early payment of benefits on compassionate grounds
Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before NRD50 on compassionate grounds [regulation D11(2)(c) of the LGPS Regulations 1995].
Looking forward to your retirement

Employer Pensions Discretions Policy

The LGPS Regulations 2013
and
The LGPS Regulations 2014
(Transitional Provisions and Savings)
and
The LGPS Regulations 2008
(Benefits, Membership and Contributions)
(as at 14th May 2018)

Employer name: ____________________________________________________________

Policy effective from: _______________________________________________________

These policies may be subject to review from time to time. Affected employees will be notified of any subsequent change to this Policy Statement.

Print name of authorised officer: _______________________________________________

Job title: ___________________________________________________________________

Date: _______________________________________________________________________

Signature of authorised officer: ________________________________________________

If you are using this document as a template, please insert your employer’s logo onto this front page or print the policy on your own letterhead
Mandatory LGPS 2013 & 2014 discretions

Power of employing authority to grant additional pension
Regulation R31

An employer can choose to grant extra annual pension* (at full cost to themselves) to:

a) an active member; or

b) to a member, within 6 months of leaving, whose employment was terminated on the grounds of redundancy or business efficiency

*(Current maximum additional pension allowed is £6,822 (figure at 1 April 2018)

Please state your decision below:

Shared Cost Additional Pension Scheme
Regulation R16 (2) (e) and R16 (4) (d)

Where an active member wishes to purchase extra annual pension by making additional pension contributions (APCs)*, an employer can choose to voluntarily contribute towards the cost of purchasing that extra pension through a Shared Cost Additional Pension Contribution (SCAPC)

*(Current maximum additional pension allowed is £6,822 (figure at 1 April 2018)

**NOTE:** this discretion does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work (or such a longer period as the Scheme employer may allow) to pay a SCAPC to cover the amount of pension ‘lost’ during that period of absence. That is because, in those cases, the Scheme employer must contribute 2/3rds of the cost to a SCAPC; there is no discretion [regulation 15(5) of the LGPS Regulations 2013].

Please state your decision below:
Flexible Retirement
Regulation R30 (6) and TP11 (2)

Under the regulations, once an employee reaches age 55, they may remain in employment and draw their retirement benefits.

However, there are certain conditions that must be met:

a) The employer must agree to the release of the pension.
b) The employee must reduce either their hours, and/or their grade. *(The specific reduction required is not set out in the regulations, but instead must be determined by the employer, whom must specify the requirements within their flexible retirement policy).*

In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights).

If flexible retirement is permitted, employers will need to publish a Flexible Retirement Policy and send Peninsula Pensions a copy. This can be done on the final section of this template.

Waiving of actuarial reduction
Regulation R30 (8), TP3 (1), TPSch2, Para 2(1), B30 (5) and B30 (A) (5)

Employers have the power to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members’ benefits paid on the grounds of flexible retirement.

Employers may also waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members’ benefits for deferred members and suspended tier 3 ill health.
pensioners who elect to draw benefits on or after age 60 and before normal pension age.

Employers also have the power to waive, in whole or in part, the actuarial reduction applied to active members’ benefits when a member chooses to voluntarily draw benefits on or after age 55 before age 60 and on or after age 60 and before Normal Pension Age (NPA).

**Power of employing authority to ‘switch on’ the 85-year rule (excludes flexible retirement) upon the voluntary early payment of benefits.**

TP1(1)(c) Sch2

The 85-year rule does not (other than on flexible retirement) automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60.

An employer can therefore choose whether to switch on the 85-year rule for members:

1) who voluntarily draw their benefits on or after age 55 and before age 60 and,

2) former members who ceased active membership between 1st April 2008 and 31st March 2014 and choose to voluntarily draw their suspended tier 3 ill health pension (on or after 14 May 2018) on or after age 55 and before age 60 and,

3) former members who ceased active membership between 1st April 1998 and 31st March 2014 and elect for voluntary early payment of any deferred benefits.
**Recommended LGPS 2013 & 2014 discretions**

**Regulation R17 (1) and TP15 (1) (d) and A25 (3) and definition of SCAVC in RSch 1**

Shared Cost Additional Voluntary Contribution Arrangement (SCAVC)

An employer can choose to pay for or contribute towards a member’s Additional Voluntary Contribution through a shared cost arrangement (SCAVC). An employer will also need to decide how much, and in what circumstances to contribute to a SCAVC arrangement.

**Non-mandatory policies but recommended by Peninsula Pensions:**

**Reg 16(16)** - An employer can extend the 30-day deadline for a member to elect for a SCAPC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave).

**Reg 22(7) and (8)** - Whether to extend the 12-month time limit for a member to elect not to aggregate post 31st March 2014 (or combinations of pre-April 2014 and post March 2014) deferred benefits.

**Reg 27 of the LGPS (Amendment) Regs 2018** - Whether to extend the 12-month option period for a member to elect to aggregate pre-1st April 2014 deferred benefits.

**R100 (6)** - Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS

**R9(1) & R9(3)** - Determine rate of employees’ contributions and when the contribution rate will be assessed
Pre LGPS 2014 discretions

To cover scheme members who ceased active membership on or after 1 April 2008 and before 1 April 2014 (no need to complete if not applicable).

<table>
<thead>
<tr>
<th>Reg 30(5) , TP2(1) Sch2, Reg 30A(5) TP2(1) Sch 2</th>
<th>Policy decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early payment of benefits</td>
<td>Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65</td>
</tr>
<tr>
<td></td>
<td>Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to any suspended tier 3 ill health pension benefits which are brought back into payment before age 65</td>
</tr>
</tbody>
</table>

To cover scheme members who ceased active membership between 1 April 1998 and 31 March 2008 (no need to complete if not applicable).

<table>
<thead>
<tr>
<th>Regulation 31(2), 31(5), 31(7A) of the LGPS Regulations 1997 and paragraph 2(1) of Schedule 2 to the LGPS (TP) Regs2014</th>
<th>Policy decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early payment of benefits</td>
<td>Employers can allow the early payment of deferred benefits to former members of the LGPS between the ages of 50 and 55.</td>
</tr>
<tr>
<td></td>
<td>Employers can also choose, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65</td>
</tr>
<tr>
<td>Regulation D11(2)(c) of the LGPS Regulations 1995</td>
<td>In relation to members who ceased active membership before 1 April 1998:</td>
</tr>
<tr>
<td></td>
<td>Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before NRD on compassionate grounds.</td>
</tr>
</tbody>
</table>
Regulation 31(7) of the LGPS Regs 1997:

In respect of a member who opted out of the scheme after 31 March 1998 and before 1 April 2008:

Where a member who opted out of the scheme continues to be employed by a Scheme employer, the member is only entitled to receive their benefits at NRD if their employer consents to them doing so.
Flexible Retirement **(Regulation R30 (6) and TP11 (2))**

This must be completed if you allow flexible retirement

You will need to consider;

1. The minimum reduction in hours or grade required.
2. Whether the employee should commit to a reduction in hours or grade for a minimum period.
3. Whether the employee should commit to remaining in employment with the employer for a minimum period.

You should also state;

1. Whether, in addition to the benefits the member has accrued prior to 1\(^{st}\) April 2008 (which the member must draw) to permit the member to choose to draw;
   - All, part, or none of the benefits they accrued after 31\(^{st}\) March 2008 and before 1\(^{st}\) April 2014 and/or,
   - All, part, or none of the benefits accrued after 31\(^{st}\) March 2014, and,
   - Whether to waive, in whole, or in part, any actuarial reduction which would normally be applied to the benefits for Flexible retirement taken before normal retirement age.

Please state your decision below: