Appendix 1

Local Government Pension Scheme: Policy Discretions

1 Broadland Pension Discretions Policy

1.1 The following are compulsory discretions about which the Council must have a written policy and publish.

(i) Awarding Additional Membership: *B Regs, Regulation 12

In line with existing policy we will not augment membership unless an employee who would be eligible for a lump sum compensation under our Discretionary Compensation Policy requests, before leaving, that he/she be awarded, instead, a period of augmented membership. In this circumstance augmented membership will only be agreed where it is actuarially equivalent in value to the lump sum compensation payment (in excess of the redundancy payment) that would otherwise have been paid under the Discretionary Compensation Policy and provided that the augmented membership would not exceed the statutory limits.

(ii) Awarding Additional Pension: *B Regs, Regulation 13

In line with existing principles we will not award additional pension unless an employee who would be eligible for a lump sum compensation payment under our Discretionary Compensation policy requests, before leaving, that he/she be awarded, instead, additional pension. In this circumstance additional pension will only be agreed where it is actuarially equivalent in value to the lump sum compensation payment (in excess of the redundancy payment) that would otherwise have been paid under the Discretionary Compensation policy and provided that the additional pension does not exceed £5,000.

(iii) Flexible Retirement: *B Regs, Regulation 18

The Council may consent to flexible retirement (including the waiving of all or part of any actuarial reduction). Any entitlement will be determined on a case by case basis, but having regard to the extent to which the exercise of discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service. The following factors will be taken in to account when deciding whether to allow flexible retirement and if so on what basis;

- The Council’s interests, including corporate and service imperatives
- The Council’s fiduciary duty, including its duty to protect the interests of council tax payers and to exercise prudence and propriety
• The employee’s individual/personal circumstances

• The employee’s work record, including performance, attendance and disciplinary record

• The hours/salary must be reduced permanently by a minimum of 15%

• The decision making process will follow that detailed in the Flexible Retirement section of the Council’s Work Life Balance Policy

• Any other factor relevant to the individual case.

Such decisions will be taken in accordance with equality objectives.

(iv) Early Payment of Pension: B Regs, Regulation 30

The Council may consent to immediate payment of Local Government Pension Scheme benefits on or after age 55 and before age 60 (for both active and deferred members). This consent may include the waiving of all or part of any actuarial reduction. Any entitlement will be determined on a case by case basis, but having regard to the extent to which the exercise of discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service. The following factors will be taken in to account when deciding whether to allow to consent and if so on what basis;

• The Council’s interests, including corporate and service imperatives

• The Council’s fiduciary duty, including its duty to protect the interests of council tax payers and to exercise prudence and propriety

• The employee’s individual/personal circumstances

• The employee’s work record, including performance, attendance and disciplinary record

• Any other factor relevant to the individual case.

Such decisions will be taken in accordance with equality objectives.

(v) Reinstatement of a Suspended Tier 3 Ill Health Pension: Regulation 30A(3)

The Council may consent to grant an application for reinstatement of a suspended tier 3 ill health pension, on or after age 55 and before age 60. Any consent will be determined on a case by case basis, but having regard to the extent to which the exercise of
discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service. Factors outlined in 1.1 (iv) will also be taken into account.

(vi) Waiver on Compassionate Grounds an Actuarial Reduction to Benefits: Regulation 30A

The Council may consent to waive, on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits early i.e. on or after age 55 and before age 60. Any waiver will be determined on a case by case basis, but having regard to the extent to which the exercise of discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service. Factors outlined in 1.1 (iv) will also be taken into account. Compassionate grounds in this context will nearly always be those arising out of very difficult domestic/financial circumstances.

1.2 The following are optional discretions about which the Council has chosen to include in its Pension Discretions Policy

(i) Absence Contribution Time Limit : *A Regs, Regulation 22(2) (See 6.1 below)

The Council requires members to make a request to pay voluntary pension contributions for any unpaid leave of absence within 30 days of returning to work (or within 30 days of their last day of service if they don’t return).

(ii) Membership Aggregation : *A Regs, Regulation 16(4)(b)(ii)

The Council requires any request to aggregate LGPS membership to be made within the twelve months time limit.

(iii) Shared Cost AVCs : *B Regs, Regulation 15(3) *A Regs, Regulation 25(3)

The Council will not contribute towards a Shared Cost AVC Scheme.

(iv) Forfeiture of Pension Rights : *A Regs, Regulations 47(2), 72, 73, 74 & 76

Where a member is convicted of an offence in connection with their LGPS employment or as a result of their own criminal, negligent or fraudulent act, the Council will not require that LGPS pension rights be forfeited in connection with that employment any way unless the Council incurred loss as a direct consequence of the member’s actions.

(v) ‘Specified Person’ for Member Disagreements : *A Regs, Regulation 57(5)(c)

The Council appoints its Monitoring Officer as the independent person to deal with the first stage of any disagreement between a LGPS member and the Council.
(vi) Transfers of Pension Rights: *A Regs, Regulation 83(8)

The Council requires members to transfer any pension rights with a different pension scheme within twelve months of joining the Council.

(vii) Members’ Contribution Rates: *B Regs, Regulation 3(4)

The Council will allocate members into the appropriate contribution band each time the member’s salary changes. ‘Salary’ will include all pensionable elements of pay.

(viii) Admission Policy (‘designating bodies’ only): *A Regs, Regulation 4(3)

This discretion does not apply to this Council.

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Cabinet: May 2013

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<td>Creation of Policy</td>
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<tr>
<td>Feb 2013</td>
<td>1.1 (iii)</td>
<td>Inclusion of a minimum % reduction, and reference to the Councils Work Life Balance Policy</td>
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<tr>
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<td>1.1 (iv)</td>
<td>Inclusion of age criteria</td>
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<td>1.1 (vi)</td>
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<tr>
<td></td>
<td>1.2 (vii)</td>
<td>Reference to the introduction of bands in 2008/9 removed.</td>
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