



APRIL 2014

LOCAL GOVERNMENT PENSION SCHEME – EMPLOYER DISCRETIONS

STATEMENTS OF POLICY CONCERNING THE EXERCISE OF DISCRETIONARY FUNCTIONS

This policy statement sets out the details of Coverage Care's policies in respect of Regulations 16 (2) (e) & (4) (d), 30 (6), 30 (8) & 31 under the Local Government Pension Scheme Regulations 2013 and Regulations (2) & TP Sch 2, para 2 (2) & (3) under the Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014.

This policy statement infers no contractual rights for members of the scheme. These policies will be reviewed periodically and are subject to change. Only the version of any policy that is current at the time of any event will be applied.

Additional Pension Contributions – Regulation 16 (2) (e) & (4) (d) and Regulation 31

- Whether to grant an additional pension to an active member or within 6 months of ceasing to be a member by reason of redundancy or business efficiency (by up to £6,500 p.a.)
- Whether, how much, and in what circumstances to contribute to a shared cost APC scheme

Decision makers

Board of Directors

Coverage Care Policy

Except in exceptional circumstances, which will be defined and agreed by the decision makers, no additional membership shall be awarded as any enhancement will generate additional costs that must be paid into the pension fund at the time of the award.

Voluntary Retirement Pre 60 – TP Sch 2, para 2 (2)

- Whether to 'switch on' the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60

Decision Makers

Board of Directors

Coverage Care Policy

The 85 year rule will not be switched on for any employees under any circumstances.

Flexible Retirement - Regulation 30 (6) & (8) and TP 11 (2)

- Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)
- Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement

Decision Makers

Board of Directors

Coverage Care Policy

Requests will be determined on a case by case basis. Applications for flexible retirement will only be considered on the merits of the individual case. Applications must be supported by a full business case outlining all operational and financial issues. Where an application for flexible retirement is approved the Company will not waive any actuarial reduction in the employee's pension benefits unless, in the Boards' absolute discretion, sufficient compassionate grounds exist to justify waiving the reduction. Employees who have flexibly retired may not subsequently apply for positions that would result in either an increase in hours or being paid at a higher grade.

Waiving Actuarial Reductions - Regulation 30 (8) and TP Sch 2 para 2 (3)

- Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age
- Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits from pre 1/4/14 membership where the employer has 'switched on' the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60

Decision Makers

Board of Directors

Coverage Care Policy

Actuarial reductions will not be waived, except where, in the Boards' absolute discretion, exceptional circumstances which will include where the business case on operational and financial ground is to the Company's advantage, or where compassionate grounds exist.