

# **ELLESMERE TOWN COUNCIL**

Mrs. M Evans  
Town Clerk  
Tel: (01691) 622689  
Email:  
clerk.ellesmeretc@btinternet.com



ELLESMERE TOWN COUNCIL  
1-3 WILLOW STREET  
ELLESMERE  
SHROPSHIRE  
SY12 0AL

## **LGPS EMPLOYER'S** **DISCRETIONS POLICY FOR ELLESMERE TOWN COUNCIL** **LOCAL GOVERNMENT PENSION SCHEME – 2014 Scheme**

### **SHROPSHIRE COUNTY PENSION FUND**

1. Ellesmere Town Council adopts the policy of taking all decisions on a case by case basis in relation to pension discretions as details in the Local Government Pension Scheme Regulations 2008 (except Regulation 3) and the Local Government Pension Scheme Regulations 2013 (except Regulation 9) and LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.
2. On each occasion such a decision is required by Ellesmere Town Council will take into account all possible known risks and implications for the Town Council.
3. With regard to Regulations 3 of LGPS Regulation 2008 and Regulation 9 of the LGPS 2013 “determining employee contribution rate” that the contribution rate band will be changed as appropriate whenever a pay change occurs.
4. Peninsula Pensions who administer the LGPS have issued a briefing note of points for employers to consider when considering an Employer Discretions Policy. (Attached).
5. This policy will supersede the Employer’s Discretion Policy adopted by Full Council on: Tuesday, 3<sup>rd</sup> January, 2012 (minute ref. 226/11).

### **INTRODUCTION**

All employees who participate in the LGPS are required to formulate a Discretions Policy in accordance with Regulation 66 of the LGPS (Administration) Regulations 2008 and Regulation 60 of the LGPS Regulations 2013.

The policy must be published and kept under review and a copy provided to all employees who are members of the Pension Scheme.

## BACKGROUND

At the Town Council Meeting on: \_\_\_\_\_ Minute Ref: \_\_\_\_\_ it was RESOLVED: that for the purposes of the LGPS Regulations 2008 (with exception of Regulation 3) that this policy be adopted on pension discretions and decisions taken case by case and regarding Regulation 3 “determining employee contribution rate” hat the rate band will be changed as appropriate whenever a pay change is made.

New LGPS Regulations came into force from 1<sup>st</sup> April, 2014 and a decision is required on Ellesmere Town Council’s Policy regarding the following discretions.

DISCRETION & REGULATION	POLICY ON INDIVIDUAL DISCRETIONS
<p>1). Reg 31. Whether to grant additional pension to a member (up to £6,675pa) (figure at 1<sup>st</sup> April, 2015)<sup>1</sup></p>	<p><i>Ellesmere Town Council will only exercise this discretion in exceptional circumstances. This discretion will only be exercised with the expressed permission of the Policy &amp; Resources Committee in association with the Staffing &amp; Governance Committee after consideration of the costs that would apply.</i></p>
<p>2). Reg 16(2)e &amp; Reg 16(4)d. Whether to make either a regular or lump sum Additional Pension Contribution (APC) to a member’s account (part or whole funding this) –</p> <p>[Note. this discretion only relates to cases when the member is working as normal rather than absent from work with permission but no pensionable pay – in the latter scenario, employers must fund it if necessary.]</p>	<p><i>Ellesmere Town Council will only exercise this discretion in exceptional circumstances. This discretion will only be exercised with the expressed permission of the Policy &amp; Resources Committee in association with the Staffing &amp; Governance Committee after consideration of the costs that would apply.</i></p>
<p>3). Reg 30(6) Whether all or some pension benefits can be paid if an member aged 55 or over reduces their hours/grade and continues to</p>	<p><i>Ellesmere Town Council will consider employee requests to take flexible retirement on a case by case basis after taking into account factors such as service delivery and all costs, following approval from the Policy &amp; Resources Committee in association</i></p>

<sup>1</sup> The figure of £6,500.00 applied at April, 2014 is increased each April (starting April 2015) under the Pension (Increase) Act 1971 (as if it were a pension with a PI date of 1 April, 2013).

<p>work ("flexible retirement")</p>	<p><i>with the Staffing &amp; Governance Committee.</i></p>
<p>4). Reg 30(6) Waiving actuarial reduction on flexible retirement.</p>	<p><i>Ellesmere Town Council will only waive the actuarial reduction on flexible retirement in exceptional circumstances following approval from the Policy &amp; Resources Committee in association with the Staffing &amp; Governance Committee after considering the costs that would apply.</i></p>
<p>5). Reg 30(8) Waiving actuarial reduction on early retirement (age 55+) – for both active and deferred members</p>	<p><i>Ellesmere Town Council will only waive the actuarial reduction on early retirement in exceptional circumstances and as the result of the expressed permission of the Policy &amp; Resources Committee in association with the Staffing &amp; Governance Committee after considering the costs that would apply.</i></p>
<p>6). T P Regs 1 (1) (c) of Schedule 2. Whether to allow the rule of 85 to be "switched on" for members who would normally meet the rule but who will not if they draw the benefits age 55–59</p>	<p><i>Ellesmere Town Council will only agree to "switch on" the rule of 85 in exceptional circumstances by the Policy &amp; Resources Committee in association with the Staffing &amp; Governance Committee after considering the costs that would apply.</i></p>
<p>7). Regs 22(8 &amp; 9) Whether to extend 12-month period to separate previous LG service.</p>	<p><i>Ellesmere Town Council will not exercise this discretion.</i></p>
<p>8). Reg 9(3) Determine rate of employees' contributions.</p>	<p><i>Ellesmere Town Council will only review all employees contribution bands as at 1 April each year based on prior years cumulative earnings unless there is a material change. Hence, when a member salary or hours change (temporary or permanently) during the year the member will remain on the same employee contribution rate until the following April.</i></p>
<p>9). Reg 100(6) Whether to extend 12-month period to allow a transfer-in of non-LG pension rights.</p>	<p><i>Ellesmere Town Council will not exercise this discretion unless it can be shown that the member was not provided with the required information within six months of starting.</i></p>

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### Abbreviations

"Reg 16(2)e" means Regulation 16(2)e of the Local Government Pension Scheme Regulations 2013  
[which apply from 1 April 2014]

"TP Regs means LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

*Adopted.*