

APPENDIX B.

Shropshire Council Pension Discretions Pre-1 April 2014 LGPS Policy Statement

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Introduction

In relation to members of pre-1 April 2014 Local Government Pension Scheme (LGPS), employers are required to formulate, publish and keep under review a Statement of Policy in relation to discretions they may exercise under;

- LGPS Regulations in respect of former employees who were members of the LGPS and who left prior to 1 April 2014.
- Under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and earlier compensation regulations.
- Under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.
- Under the Local Government Pension Scheme Regulations 1997 in respect of local authority councilor members refer to the Pension Discretion Pre- 1 April 2014 LGPS Policy Statement, Table 2.2 below.

Discretions exercised under the LGPS Career Average Revalued Earnings (CARE) Scheme can be found in the Pension Discretions 1 April 2014 LGPS Career Average Revalued Earnings (CARE) Scheme Policy Statement.

This policy applies to all employees of Shropshire Council (other than local authority councilor members who should refer to Table 2.2 below) with the exception, in relation to some of the discretions, to LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies and to former NHS Scheme members who are covered by regulation 23 of the LGPS (Transitional Provisions) Regulations 1997 who are advised to contact Shropshire County Pension Fund. Staff employed by schools please refer to the Schools HR Policy and Procedure Handbook.

2.0 Discretions

Shropshire Council's fund provider has presented all statutory and recommended discretions in a template format with Shropshire Council's statement of discretion applied to each statutory and recommended discretion.

2.1 Scheme members who ceased active membership between 1 April 2008 and 31 March 2014

Table 1 Discretions to be exercised as relates to council policy.

Table 1: Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 April 2008 and 31 March 2014 (other than local authority councilor members)	Shropshire Council Policy
1. Whether to grant applications for the early payment of deferred pension benefits on or after age 55 and before age 60 (on grounds other than permanent ill health).	Where a former scheme member who left the scheme between 1 April 2008 and 31 March 2014 requests early release of deferred benefits on or after age 55 and before age 60 (on grounds other than permanent ill health), approval will only be given on compassionate grounds. Each case will be considered on its merits and will be subject to the approval of the Assistant Director of Workforce and Improvement, in consultation with the Executive Director of Resources (Section 151 Officer) (see section 4.0). The benefits payable in such circumstances will be subject to any actuarial reduction applicable under the relevant LGPS Regulations.

Table 1: Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 April 2008 and 31 March 2014 (other than local authority councilor members)	Shropshire Council Policy
<p>2. Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.</p>	<p>Shropshire Council will consider an application to waive, on compassionate grounds, any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65. Each case will be considered on its merits and will be subject to the approval of the Assistant Director of Workforce and Improvement, in consultation with the Executive Director of Resources (Section 151 Officer) (see section 4.0).</p>
<p>3. Whether to grant applications for the early payment of a suspended Tier 3 ill health pension on or after age 55 and before age 60 (on grounds other than permanent ill health).</p>	<p>Where a former scheme member who left the scheme between 1 April 2008 and 31 March 2014 requests early release of deferred benefits on or after age 55 and before age 60 (on grounds other than permanent ill health), approval will only be given on compassionate grounds. Each case will be considered on its merits and will be subject to the approval of the Assistant Director of Workforce and Improvement, in consultation with the Executive Director of Resources (Section 151 Officer) (see section 4.0). The benefits payable in such circumstances will be subject to any actuarial reduction applicable under the relevant LGPS Regulations.</p>
<p>4. 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</p>	<p>Shropshire Council will consider an application to waive, on compassionate grounds, any actuarial reduction that would normally be applied to a</p>

Table 1: Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 April 2008 and 31 March 2014 (other than local authority councilor members)	Shropshire Council Policy
brought back into payment before age 65.	suspended Tier 3 ill health pension which is brought back into payment before age 65. Each case will be considered on its merits and will be subject to the approval of the Assistant Director of Workforce and Improvement, in consultation with the Executive Director of Resources (Section 151 Officer(see section 4.0)).

2.2 Scheme members and councilor members who ceased active membership between 1 April 1998 and 31 March 2008

Table 2 Discretions to be exercised as relates to council policy.

Table 2: Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 April 1998 and 31 March 2008 (and in relation to local authority councilor members who ceased or will cease active membership on or after 1 April 1998)	Shropshire Council Policy
<p>1. Whether to grant applications for the early payment of pension benefits on or after age 50 and before age 60 (on grounds other than permanent ill health).</p>	<p>Where a former scheme member who left the scheme between 1 April 1998 and 31 March 2008 (or a local authority councillor member who left the scheme on or after 1 April 1998) requests early release of deferred benefits on or after age 50 and before age 60 (on grounds other than permanent ill health), approval will only be given on compassionate grounds. Each case will be considered on its merits and will be subject to the approval of the Assistant Director of Workforce and Improvement, in consultation with the Executive Director of Resources (Section 151 Officer) (see section 4.0). The benefits payable in such circumstances will be subject to any actuarial reduction applicable under the relevant LGPS Regulations.</p>

Table 2: Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 April 1998 and 31 March 2008 (and in relation to local authority councilor members who ceased or will cease active membership on or after 1 April 1998)	Shropshire Council Policy
<p>2. Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.</p>	<p>Shropshire Council will consider an application to waive, on compassionate grounds, any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65. Each case will be considered on its merits and will be subject to the approval of the Assistant Director of Workforce and Improvement, in consultation with the Executive Director of Resources (Section 151 Officer) (see section 4.0).</p>

2.3 Scheme members who ceased active membership before 1 April 1998

Table 3 Discretions to be exercised as relates to council policy.

Table 3: Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership before 1 April 1998	Shropshire Council Policy
<p>1. Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before age 65 on compassionate grounds.</p>	<p>Where a former scheme member who left the scheme before 1 April 1998 requests early release of deferred benefits on or after age 50 and before age 65 on compassionate grounds, the case will be considered on its merits and will be subject to the approval of the Assistant Director of Workforce and Improvement, in consultation with the Executive Director of Resources (Section 151 Officer) (see section 4.0).</p>

2.4 Early termination of employment (Regulations 2006)

Table 4 Discretions to be exercised as relates to council policy.

Table 4: Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006	Shropshire Council Policy
<p>1. Whether to base a redundancy payment on an employee's actual weeks' pay where this exceeds the statutory week's pay limit of, currently, £475 per week (as at 6 April 2015). Refer to the Gov website for current amounts.</p>	<p>Any redundancy payment will be calculated on an employee's actual week's pay and not limited to the statutory weeks' pay limit where pay exceeds that limit.</p> <p>Continuous local government service, as defined under the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999, will be taken into account in the calculation of redundancy payments.</p>
<p>2. Whether to make a termination payment (inclusive of any redundancy payment) of up to a maximum of 104 weeks' pay to employees whose employment is terminated on the grounds of redundancy or efficiency of the service.</p>	<p>Staff whose employment is terminated on the grounds of redundancy or business efficiency will receive a termination payment (to incorporate any redundancy pay) calculated using the statutory redundancy payment formula but based on actual pay, enhanced by a multiplier of 1.5.</p>

2.5 Early termination of employment (Regulations 2000)

Table 5 Discretions to be exercised as relates to council policy.

Table 5: Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000	Shropshire Council Policy
<p>1. How any surviving spouse's or civil partner's annual compensatory added years pension is to be apportioned where the deceased person is survived by more than one spouse or civil partner.</p>	<p>Shropshire Council will apportion any surviving spouse's or civil partner's annual compensatory added years pension where the deceased person is survived by more than one spouse or civil partner in such proportions as, at its sole discretion, it sees fit (based on the merits of the individual cases).</p>
<p>2. Whether, if the spouse or civil partner of a person who ceased employment before 1 April 1988 remarries, enters into a civil partnership or cohabits after 1 April 1998, the normal annual compensation suspension rules will be disapplied i.e. the spouse's or civil partner's annual compensatory added years pension will continue to be paid.</p>	<p>If the spouse or civil partner of a person who ceased employment before 1 April 1998 remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal annual compensation suspension rules will be disapplied i.e. the spouse's or civil partner's annual compensatory added years pension will continue to be paid.</p>

2.6 Injury allowances (Regulations 2011)

Table 6 Discretions to be exercised as relates to council policy.

Table 6: Discretions to be exercised under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011	Shropshire Council Policy
<p>1. Whether to award an injury allowance in respect of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and in consequence of which he / she:</p> <ul style="list-style-type: none"> - suffers a reduction remuneration, or - ceases to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease, or - dies leaving a surviving spouse, civil partner or dependent. 	<p>Shropshire Council will not, other than in exceptional circumstances, make an award of an injury allowance in respect of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job where no liability attaches itself to Shropshire Council and in consequence of which he / she:</p> <ul style="list-style-type: none"> - suffers a reduction remuneration, or - ceases to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease, or - dies leaving a surviving spouse, civil partner or dependent.

Table 6: Discretions to be exercised under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011	Shropshire Council Policy
2. How to calculate an injury allowance award in respect of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and in consequence of which he / she suffers a reduction remuneration.	Where no liability attached itself to Shropshire council and in exceptional circumstances only, Shropshire Council will consider the matters in 2 opposite when calculating an award of injury allowance. Each case will be considered in consultation with the Assistant Director of Workforce and Improvement, Assistant Director of Legal and Governance and <u>Executive Director of Resources (Section 151 Officer)</u> .
3. How to calculate an injury allowance award in respect of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and who ceases to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease.	Where no liability attached itself to Shropshire council and in exceptional circumstances only, Shropshire Council will consider the matters in 3 opposite when calculating an award of injury allowance. Each case will be considered in consultation with the Assistant Director of Workforce and Improvement, Assistant Director of Legal and Governance and <u>Executive Director of Resources (Section 151 Officer)</u> .
4. How to calculate an injury allowance or lump sum award for a surviving spouse, civil partner, nominated cohabiting partner or dependent of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and as a result of which he / she dies.	Where no liability attached itself to Shropshire council and in exceptional circumstances only, Shropshire Council will consider the matters in 4 opposite when calculating an award of injury allowance. Each case will be considered in consultation with the Assistant Director of Workforce and Improvement, Assistant Director of Legal and Governance and <u>Executive Director of Resources (Section 151 Officer)</u> .

3.0 REQUEST TO APPLY DISCRETIONS

- 3.1 Requests to apply any of the statutory and recommended pension discretions will be considered only in exceptional circumstances and will not be an automatic entitlement. An employee who wishes to request a statutory and recommended pension discretion must complete a Pension Discretions Employee Request Form (Appendix B1) and provide a copy to their manager.
- 3.2 The manager will arrange a meeting with the employee to discuss the request, taking account of any pension strain to the service. If the manager approves, they will create a report to their line manager detailing their approval, effective date and the implications operationally and financially upon the business (see Appendix B2 Statutory Pension Discretions Manager Report).
- 3.3 Each case will be considered on the merits of the financial and / or operational business case or will be considered on the merits of the compassionate case put forward and will require the approval of the Assistant Director of Workforce and Improvement, in consultation with the Executive Director of Resources (Section 151 Officer).

4.0 PENSION APPEALS

- 4.1 In accordance with Regulation 73 of the Local Government Pension Scheme (Administration) Regulations 2013, the Council is required to draw all employees' attention to the fact that, if they are dissatisfied with any decision in relation to their rights or liabilities under the Scheme, they may make an application to the Head of Pensions – LGPS Senior Officer, as the person appointed for resolving first stage disputes. An appeal must be made within six months of the event. Standard forms and guidelines are available from the Pension Team for this purpose.
- 4.2 If employees remain dissatisfied, they may apply for a reconsideration of the decision to the Assistant Director of Legal and Governance. The final level of appeal would be to the Pensions Ombudsman.
- 4.3 In all instances, all initial concerns, or matters whereby an employee is not in agreement, should be referred to the individual who made the original decision. The Pension Scheme will also be available to advise you of your rights under the Scheme.

5.0 MONITORING AND REVIEW

- 5.1 The policy will be reviewed at regular intervals, in conjunction with changes to legislation, and any changes to the regulations as informed by the LGPS that may impact upon it.
- 5.2 HR will work with managers to monitor the application of this policy. The policy will be reviewed at regular intervals in conjunction with changes to legislation that may impact upon it and in consultation with trade unions.

You may also wish to refer to:

Pension Lifecycle Policy 2024.

Appendix A Pension Discretions 1 April 2014 LGPS CARE Policy Statement.

Shropshire County Pensions Fund: www.shropshirecountypensionfund.co.uk

APPENDIX B1

Pension Discretions – Employee Request Form

Before completing this form, please ensure that you have read the Pension Discretions Policy in conjunction with the Pension Lifecycle Policy.

Employee’s Name.

Employee Resource ID.....

Name of Manager.

Directorate.

Please indicate pension discretion request:

Please provide details of your request and when you wish this request to be effective from:

Name (signature)

Date

APPENDIX B2

Pension Discretions - Manager Report

Employee Name:

Employee Resource IDr:

Please indicate employee's request:

Background

Include the following in your business case:

- *Current employment details – include current post, hours worked and current SCP details*
- *Provide details of the exceptional circumstances where Shropshire Council considers it is in its financial or operational interests to permit this discretion*
- *Details regarding the strain (if any) on the pension fund, and the cost implications in relation to the team budget (if any)*

I agree to this request for [INPUT REQUEST] and that pension payments commence with effect from [DATE].

Employee's Line Manager

..... Date.....
(Name and sign)

Post:

Next Level of Line Management

.....

Date.....

(Name and sign)

Post:

Assistant Director of Group or Service Area

.....

Date.....

(Name and sign)

Assistant Director of Workforce and Improvement

..... Date.....

(Name and sign)

Assistant Director of Legal and Governance (if required)

..... Date.....

(Name and sign)

Executive Director of Resources (Section 151 Officer)

..... Date.....

(Name and sign)