

Discretionary Policies

Employer: **Harborough District Council**

Local Government Pension Scheme, (LGPS), Regulations Policy statement on all eligible former members effective 14th May 2018

Under the pertinent LGPS Regulations, each scheme employer must publish and keep under review a Statement of Policy to explain how it will apply certain discretions allowed under the Pensions Regulations.

This statement is applicable to all former employees of the above named employer who are eligible to be members of the LGPS and are required following the introduction of the LGPS (Amendment) Regulations 2018 in the following areas:

LGPS Benefits Regulations - Early payment of retirement benefits at a former member's request.

Election for early payment of deferred benefits at age 55 for leavers before 1 April 1998

Original Regulation 24(a) and 30(d)

Regulations amended/inserted or deleted LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014:

New reg 3(5A)(a)

Election for early payment of deferred benefits from age 55 for leavers between 1 April 1998 and 31 March 2008

Original Regulation 24(a), 30(e) and 30(f)

Regulations amended/inserted or deleted LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014:

New reg 3(5A)(b)

New para1(1)(e) of Sch 2

New para 1(1)(f) of Sch 2

Amends para 1(2) of Sch 2 and para 2(3) of Sch 2

Election for early payment of deferred benefits from age 55 for leavers between 1 April 2008 and 31 March 2014

Original Regulation 24(a), 30(a), 30(c), 30(e) and 30(f)

Regulations amended/inserted or deleted LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014:

New reg 3(5A)(c)

Amends para 1(1)(a) of Sch 2

New para 1(1)(aa) of Sch 2

Amends para 1(1)(c) of Sch 2, para 1(2) of Sch 2 and para 2(3) of Sch 2

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1. Affirmation of existing policy in this area required:

Explanation	Proposed HDC Policy	Explanation of the Change
<p>Where the former member elects for voluntary early retirement before their normal pension age (NPA), the deferred benefits will be reduced for early payment.</p> <p>The scheme employer may, in respect of deferred members who can under the relevant regulations (details above) voluntarily draw their benefits on or (if regulations allow) after age 55 and prior to NPA, choose to waive on the grounds of compassion any reduction for early payment.</p> <p>The cost of which would fall upon the employer.</p> <p>n.b. "Compassionate grounds" is not defined in the regulations</p>	<p>In relation to waiving any reduction which may apply on compassionate grounds, the policy is that:</p> <p>The discretion in this area is:</p> <p>This discretion will not apply unless there are exceptional circumstances. The decision is delegated to the Joint Chief Executives as Head of Paid Service to consider any cases and decide whether the actuarial reduction should be waived.</p>	<p>To potentially provide for exceptional situations on compassionate grounds where employees are seeking to take early retirement while maximising their pension benefits</p>

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2. Additional new decision required to cover former members who left after 1 April 1998 but before 31 March 2014 regarding Switching on 'Rule of 85'

Explanation	Employer's Policy	Explanation of the change
A former member who has not attained normal pension age (NPA) but who has attained the age of 55 or over, may elect to receive immediate payment of a retirement pension in relation to an employment if that	In relation to early retirements with employer's consent, policy on 'Switching on Rule of 85' is that: The discretion in this area	This new discretion could lead to a capital cost being payable by this Council to the pension fund.

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<p>member is not an employee in local government service in that employment, reduced by the amount shown as appropriate in actuarial guidance issued by the Secretary of State.</p> <p>In these circumstances (other than flexible retirement) the 85 year rule does not automatically apply to members who would otherwise be subject to it who choose to voluntarily draw their benefits on or after age 55 and before NPA.</p> <p>The employer has the discretion to “switch on” the 85 year rule for such a member.</p> <p>If the employer does agree to switch back on the rule of 85, the cost of any strain on the fund resulting from the payment of benefits before NPA would have to be met by the employer.</p>	<p>is:</p> <p>This discretionary power has not been adopted.</p>	
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Employer declaration sheet:

Discretionary Policies

I confirm that the above policies have been approved by the delegated person/committee.

I confirm that should any of the decisions change in the future the Pensions Section will be notified immediately.

The attached statements therefore provide a summary of the policies which have been adopted and certify that they are correct on behalf of:

Employer's Name: **Harborough District Council**

Print Name: **REBECCA JENNER**

Position: **HR Manager**

Signed:

A handwritten signature in black ink, appearing to read 'Rebecca Jenner', written in a cursive style.

Date: **9th August 2019**

Please sign and copy. Keep one for reference and return the other to carol.haywood@leics.gov.uk

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