

## **POLICY STATEMENT**

Effective April 2008

This policy gives reference to the new Local Government Pension Scheme regulations coming into force on the 1<sup>st</sup> April 2008

### **Local Government Pension Scheme and Discretionary Payments**

**Notification to all employees and councillors who are, or could be, contributing members of the Local Government Pension Scheme (LGPS) administered by the London Borough of Hammersmith and Fulham Council.**

The Local Government Pension Scheme Regulations require each local authority to publish and keep under review a written policy statement on how it will apply its discretionary powers in relation to certain provisions of the LGPS.

The Council also wishes to publish its policy in respect of various other discretionary powers concerning early termination of employment.

Discretionary powers in relation to members of the Teachers Pension Scheme where appropriate will be consistently operated by the council in its Local Education Authority employer role.

The Council's adjudicating panel is responsible for the exercise of discretionary powers in relation to the early payment of benefits. All other discretionary powers will be operated in accordance with the Council's scheme of delegation.

Nothing in this Policy Statement shall fetter the Council's discretion to exercise the powers conferred on it by statute.

Any queries regarding this notice should, in the first instance, be directed to the Pensions Section, Finance & Corporate Services Department, London Borough of Hammersmith and Fulham, Room 317 Hammersmith Town Hall, King Street, London, W6 9JU. Telephone 020 8753 1878

## **Voluntary Early Retirement from Age 55**

### **Applicable Legislation**

The LGPS Regulations (Benefits, Membership and Contributions) 2007  
Regulation 30

The Scheme Regulations allow scheme members over the age of 55 who voluntarily leave pensionable service to receive premature payment of their benefits, **subject to their employer's / council consent**. The benefits received may be subject to an actuarial reduction to allow for the early payment of benefits.

### **Policy Decision**

Applications for early payment of benefits will be considered on an individual basis in view of all relevant considerations, including the likely costs and benefits and taking into account any protection rights that may be held by individuals. Percentage reductions if applicable, will be made in line with the tables supplied by the Government Actuary. The Council may exercise its discretion not to apply reductions in exceptional circumstances.

## **Flexible Retirement from age 55**

### **Applicable Legislation**

The LGPS Regulations (Benefits, Membership and Contributions) 2007  
Regulation 18

The Scheme Regulations allow scheme members over the age of 55 **subject to their employer's/ council consent** to be paid retirement benefits before they have retired in relation to a reduction in the hours, or the grade in which they are employed. The benefits received may be subject to an actuarial reduction in the case of early payment.

### **Policy Decision**

Applications for flexible retirement will be considered on an individual basis in view of all relevant considerations including the likely costs and benefits. Percentage reductions if applicable will be made in line with the tables supplied by the Government Actuary. The Council may exercise its discretion not to apply reductions in exceptional circumstances.

## **Early Payment of Deferred Benefits**

### **Applicable Legislation**

The LGPS Regulations (Benefits, Membership and Contributions) 2007  
Regulation 30

### **Discretion**

Former members of the LGPS have the right to elect to receive payment of their deferred benefits between ages 55 to 59, **but only with the consent of their former employer**. The benefits received will be subject to an actuarial reduction to allow for the early payment of benefits.

### **Policy decision**

Applications for early payment of deferred benefits will be considered on an individual basis in view of all relevant considerations, including the likely costs and benefits and taking into account any protection rights that may be held by individuals. Early payment will be considered but is unlikely to be operated because of the cost implications and the fact that there is unlikely to be any benefit to the Council in these cases. The Council, should it decide to grant early payment, may exercise its discretion not to apply reductions in very exceptional circumstances.

## **Increase of Service for Active Members**

### **Applicable Legislation**

The LGPS Regulations (Benefits, Membership and Contributions) 2007  
Regulation 12

### **Discretion**

Employers may resolve to increase the total service of a Scheme member by up to 10 years

### **Policy decision**

The Council will consider any requests to exercise its discretion under this regulation in the light of all relevant considerations, including the likely costs and benefits. However an increase to total service to a Scheme member who voluntarily leaves employment will only be made in very exceptional circumstances.

## **Award of Additional Pension**

### **Applicable Legislation**

The LGPS Regulations (Benefits, Membership and Contributions) 2007  
Regulation 13

Employers may resolve to award to a Scheme member, an additional pension of up to £5000 per year payable from the same date as other pension payments fall due. The additional pension may be paid in addition to an increase of total membership as detailed above

### **Policy decision**

The Council will consider any requests to exercise its discretion under this regulation in the light of all relevant considerations, including the likely costs and benefits. However an award of an additional pension to a Scheme member who voluntarily leaves employment will only be made in very exceptional circumstances.

## **Shared Cost Additional Voluntary Contributions (SCAVCs)**

### **Applicable Legislation**

The LGPS Regulations (Benefits, Membership and Contributions) 2007  
Regulation 13

### **Discretion**

The Scheme makes a provision that enables employers, at their discretion, to establish and maintain a shared cost additional voluntary contribution (SCAVC) arrangement, whereby both the Scheme member and the employer contribute to increase the member's eventual pension entitlement.

### **Policy decision**

The Council will consider any request to exercise its discretion in the light of all relevant circumstances. However a SCAVC arrangement will not generally be operated because of the cost implications.

## **Re-employed Pensioners**

### **Applicable Legislation**

The LGPS Regulations (Administration) Regulations 2008  
Regulation 70

### **Discretion**

The Scheme requires the administering authority to formulate a policy on the extent to which a pension should be abated.

The policy applies to all pensioners who commence re-employment.

### **Policy decision**

The Council will abate pensions where a pensioner is re-employed by an employer who contributes to the LGPS, whether or not the pensioner chooses to recommence contributions to the LGPS.

## **Termination of employment on redundancy grounds or on efficiency of the service grounds.**

### **Applicable Legislation**

The Local Government (Discretionary Payments) Regulations

### **Discretion**

The Local Government (Discretionary Payments) Regulations allow the Council to provide payments in excess of the statutory minimum.

### **Policy decision**

Redundancy payments will not be calculated on the statutory minimum basis. The Council will utilise the greater of 1½ times the minimum earnings guarantee rate (pro rata for part time employees) or the actual weekly pay rate.

## **Buy back of lost membership benefits arising from periods where no pay is received (e.g. unpaid maternity leave, unpaid leave of absence and industrial disputes)**

### **Applicable Legislation**

The LGPS Regulations (Administration) Regulations 2008  
Regulation 70

### **Discretion**

An election to pay back contributions must be made within 30 days or such longer period as the employer may allow.

### **Policy decision**

Time limits for elections to pay back contributions will be set in relation to each individual case and as and when each situation arises.

Policy revised October 2008