

EMPLOYMENT COMMITTEE	AGENDA ITEM No. 4
30 SEPTEMBER 2010	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Irene Walsh, Cabinet Member for Community Cohesion, Safety and Women's Enterprise	
Contact Officer(s):	Mike Kealey - Acting Head of Human Resources	Tel. (01733) 384500

LOCAL GOVERNMENT PENSION SCHEME – DISCRETIONARY POLICY

R E C O M M E N D A T I O N S	
FROM : Directors, Trade Union representatives	Deadline date : N.A.
1. It is recommended that members of Employment Committee agree to the Local Government Pension Scheme Discretionary Policy (Part A (previous regulations) & Part B) attached at Appendix One.	

1. ORIGIN OF REPORT

1.1 This report is submitted to the Committee following a referral from Corporate Management Team, and Joint Consultative Forum on 5th August 2010.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to ensure that the council publishes its policy on the discretions within the Local Government Pension Scheme.

2.2 This report is for the Committee to consider under its Terms of Reference No. 2.3.1.4.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	
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4. BACKGROUND

4.1 LGPS Regulations 1997

Each employer within the LGPS must prepare a written statement of its policy in relation to the exercise of its functions under three regulations in respect of those members who left on, or who have an award of deferred benefits in respect of membership up to, a date between 1st April 1998 and 31st March 2008:-

- Regulation 31(2) – early payment of pension with employers consent between age 50 and 60
- Regulation 31(5) – consent to waiving of early payment reduction on retirement between age 50 and 65
- Regulation 31(7A) – consent to benefits resulting from an earlier opt out being paid at the normal retirement date whilst in existing employment

4.2 This statement must be (a) kept under review, (b) published for one month before commencement, and (c) revised as necessary.

- 4.3 When the statement is being revised the employer must have regard to the extent to which the exercise of any of the discretions could lead to a serious loss of confidence in the public service.
- 4.4 There are further discretions that are not compulsory to include in the statement but that are recommended to be included:-
- LGPS Administrative Regulations 2008
 - Regulation 22(2) – power of employer to increase time limit of active members to pay voluntary contributions (to cover a period of absence from duty)
 - Regulation 16(4) – power of employer to allow the aggregation of two periods of membership after twelve months of joining
 - Regulation 83(8) – power of employer to extend the time limit for a transfer in of previous pension rights to proceed after twelve months of joining
 - Regulation 25(3) – power of the employer to contribute towards a shared cost AVC scheme
 - Regulation 57(5)(c) – nominated person within the council to hear member appeals
- 4.5 We have also taken the opportunity of outlining who will be admitted to the LGPS in the council for clarity and transparency.
- LGPS (Benefits, Membership, & Contribution) Regulations 2007
 - Regulation 3(4) tiered contribution rate basis.

5. CONSULTATION

- 5.1 The joint Trade Unions have been consulted and the statement was agreed at the meeting of the Joint Consultative Forum on 5th August 2010. Directors agreed the statement on 23rd February 2010.
- 5.2 The statement has also been approved by the council's pension administrators at Cambridgeshire County Council.

6. ANTICIPATED OUTCOMES

- 6.1 This statement will ensure that the council is fulfilling the statutory requirement to publish and review its pension discretionary statement. It will also be useful when services are being considered for outsourcing as the bidding organisations will have a clear understanding of the policy which will apply to them on transfer.

7. REASONS FOR RECOMMENDATIONS

- 7.1 This is a requirement under the regulations of the local government pension scheme.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 The policy was considered against (a) those published by some other local government employers, (b) the policy in place in the county council plus (c) the existing policy, to ensure it was a sensible, fair approach which took account of affordability and protection of the pension fund.

9. IMPLICATIONS

- 9.1 The policy statement has been shared with the financial and legal teams at the council. It balances the requirement for the policy to be fair to existing and deferred members, with the necessity to ensure it does not allow for a loss of confidence in the public service. This policy will be reviewed in twelve months time.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

Previous policy statements

Document issued by the Local Government Employers outlining pension discretions.

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