

Local Government Pension Scheme Policy Statement: 1 April 2014

Policy Statement for all eligible employees

Under the Local Government Pension Scheme 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 Pension Regulations.

This statement is applicable to all employees of Walsall Council who are eligible to be members of the LGPS. Before the exercise of any discretion it will be necessary in each case to consider the full financial cost implications to the Council and the Pension Fund.

Existing policy discretions for employers which are in place under the 2008 and 1995 schemes will remain in force for employees who left the scheme prior to 1st April 2014.

All other past policies and discretions will be revoked following the approval of this policy. The discretions detailed in this policy will apply from 1st April 2014.

Part 1 – Discretions to be applied under the LGPS Regulations 2013 and LGPS (Transitional Provisions and Savings) Regulations 2014 (denoted as ‘TP’ within the policy).

<p><u>Regulation 16(2)e & Reg 16(4)d:</u> Where an active Scheme member wishes to purchase extra annual pension of up to £6,500* (figure at 1 April 2014) by making Additional Pension Contributions (APCs), the employer can choose to contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).</p>	<p><u>Council Policy</u> The Council has <u>NOT</u> adopted this discretion.</p>
<p><u>Regulation 30(6) and TP11(2):</u> Whether to permit flexible retirement for staff aged 55 or over who, with the agreement of the employer, reduce their working hours or grade in order to</p>	<p><u>Council Policy</u> The Council will consider employee requests to take flexible retirement on a case by case basis after taking into factors such as service delivery and any costs that may apply.</p>

release some or all of their retirement benefits.	
<p><u>Regulation 30(8):</u> Whether to waive any actuarial reductions that would otherwise apply under Regulation 30(5) and Regulation 30(6) for active members, deferred members and suspended tier 3 ill health pensioners who elect to receive early payment of benefits prior to normal pension age.</p>	<p><u>Council Policy</u> Waiving of actuarial reductions and the application of 85 year rule protections will be considered only where there is a clear financial or operational advantage in doing so. A request for early unreduced payment of benefits on compassionate grounds would be considered only where the former member is prevented from full-time working due to the need to provide long-term care for a dependant.</p>
<p><u>TP Regulation 1(1)(c) of Schedule 2:</u> Whether, to apply the 85 year rule protections to members who choose to voluntarily draw their benefits on or after age 55 and before age 60, [under paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014].</p>	<p><u>Council Policy</u> Waiving of actuarial reductions and the application of 85 year rule protections will be considered only where there is a clear financial or operational advantage to the Council in doing so.</p>
<p><u>Regulation 31:</u> Whether to grant extra annual pension of up to £6,500 to an active Scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.</p>	<p><u>Council Policy</u> The Council has <u>NOT</u> adopted this discretion.</p>
<p><u>Regulation 22(8 & 9):</u> Whether to extend the 12-month period in which a member can elect to retain separate benefits for previous pensionable service.</p>	<p><u>Council Policy</u> The Council will consider applications under this Regulation but only when it can be demonstrated that the delay is because of an administration issue and not as a result of the scheme member's failure to make an election within the 12 month timescale.</p>
<p><u>Regulation 9(3):</u> Determining the rate of employees' contributions</p>	<p><u>Council Policy</u> The Council will review the contribution rate bands at six monthly intervals. Account will be taken when determining the rate of any impending pay award.</p>

<p><u>Regulation 100(6):</u> Whether to extend the 12-month period from joining the scheme in which to allow a transfer-in of previous non-local government pension rights.</p>	<p><u>Council Policy</u> The Council will consider applications under this Regulation but only when it can be demonstrated that the delay is because of an administration issue and not as a result of the scheme member's failure to make an election within the 12 month timescale.</p>
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Part 2 – Discretions to be applied under the LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended)

<p><u>Regulation B12:</u> Power of employing authority to increase total membership of members leaving prior to 1st April 2014 on redundancy or business efficiency grounds by up to 10 years.</p> <p>This resolution must be made within 6 months of leaving and will therefore be obsolete after 30th September 2014.</p>	<p><u>Council Policy</u> The Council has <u>NOT</u> adopted this discretion.</p>
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<p><u>Regulation B30(2) and 30(5):</u> Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60; and whether to waive on compassionate grounds the actuarial reduction applied to such benefits paid under regulation B30.</p>	<p><u>Council Policy</u> The Council has adopted this regulation to be used in exceptional circumstances only.</p> <p>The criteria for exceptional circumstances are defined in the detailed guidelines.</p> <p>The Council will consider each specific case which will be judged equally and fairly on its own merits having fully considered the reasons for early payment and any associated financial costs.</p>
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<p><u>Regulation B30A(3) and 30A(5):</u> Whether to grant application for early payment of suspended tier 3 ill health pension on or after age 55 and before age 60; and whether to waive on compassionate grounds the actuarial reduction applied to such benefits paid under regulation B30A.</p>	<p><u>Council Policy</u> The Council has adopted this regulation to be used in exceptional circumstances only.</p> <p>The criteria for exceptional circumstances are defined in the detailed guidelines.</p> <p>The Council will consider each specific case which will be judged equally and fairly on its own merits having fully considered the reasons for early payment and any associated financial costs.</p>
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Part 3 – Discretions to be applied under the LGPS Regulations 1997

<p><u>Regulation 31(2) and 31(5):</u> Whether to grant application for a leaver between 31 March 1998 and 31 March 2008, or from a Councillor for early payment of benefits on or after age 50/55 and before age 60; and whether to waive on compassionate grounds the actuarial reduction applied to such benefits paid under regulation 31.</p>	<p><u>Council Policy</u></p> <p>The Council has adopted this regulation to be used in exceptional circumstances only. The criteria for exceptional circumstances are defined in the detailed guidelines.</p> <p>The Council will consider each specific case which will be judged equally and fairly on its own merits having fully considered the reasons for early payment and any associated financial costs.</p>
<p><u>Regulation 31(7A):</u> Whether to grant employer consent for a scheme member to access their retirement benefits from their Normal Retirement Date without reduction, while continuing to be employed by a Scheme employer listed in Schedule 2.</p>	<p><u>Council Policy</u></p> <p>The Council has adopted this regulation to be used in exceptional circumstances only.</p> <p>The criteria for exceptional circumstances are defined in the detailed guidelines.</p> <p>The Council will consider each specific case which will be judged equally and fairly on its own merits having fully considered the reasons for early payment and any associated financial costs.</p>

Part 4 – Discretions to be applied under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006

<p><u>Regulation 5:</u> The Council may decide to calculate a redundancy payment entitlement as if there had been no limit on the amount of the week's pay used in the calculation.</p>	<p><u>Council Policy</u></p> <p>The Council has decided to adopt this discretion and base redundancy payment calculations on an unrestricted week's pay.</p>
<p><u>Regulation 6:</u> A one-off lump sum compensation payment may be awarded to an employee up to a maximum value of 104 weeks pay (2 years) inclusive of any redundancy payment made.</p>	<p><u>Council Policy</u></p> <p>The council has decided to adopt this discretion in part and will award an additional lump sum compensation payment equal to the value of the statutory redundancy payment – maximum payment 30 weeks – but only in cases of some compulsory redundancies Each award will be subject to a cap to be paid to an employee who is paid less than the full time equivalent of scale point 29.</p> <p>Each specific case will be judged equally and fairly on its own merits having fully considered service delivery and financial costs.</p>

Part 5 – Discretions to be applied under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

<p>Explanation</p> <p>The Council operates The Walsall Council Injury Allowance Scheme under the permissive powers of The Discretionary Payment Regulation 2011.</p> <p>The scheme is unique to Walsall Council employees and is operated within the regulatory guidelines.</p>	<p><u>Council Policy</u></p> <p>The Council has decided that all claims are to be submitted to and agreed by an Injury Allowance Panel. The panel will consist of The Head of Legal Services, The Head of Finance and the Head of Human Resources or their nominees.</p> <p>Both temporary and permanent allowances are available within the terms of reference of the scheme. Each award will be judged on the relevant evidence presented to the panel. Payment will be made from the service budget.</p> <p>There is no separate internal appeals process as designated by the Injury allowance panel.</p>
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Part 6 – Appeals Process – Local Government Pension Scheme (Administration) Regulations 2008

<p><u>Regulation 57: Internal Dispute Resolution Procedure (IDRP)</u></p> <p>Responsibility for determination of LGPS disputes under the first stage of the procedure now lies with the “Adjudicator” at the employing authority.</p> <p>The Executive Director (Resources) is the Adjudicator for the purposes of the Internal Dispute Resolution Process. If this presents a conflict of interest when the complaint relates to a member of the Resources directorate, the Chief Executive will act as the Adjudicator.</p>	<p><u>Council Policy</u></p> <p>Any disputes about decisions made under the LGPS should be sent in writing to:</p> <p>The Executive Director (Resources) The Council House Walsall Council WS1 1TW or</p> <p>The Chief Executive if the complaint relates to member of the Resources Directorate.</p>
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