



LGPS Discretions Policy

1 Introduction and purpose

- 1.1 The purpose of this policy is to document and set out what discretions the Peak District National Park Authority (the Authority) will exercise in various situations regarding employees Local Government Pension Scheme (LGPS) benefits.
- 1.2 As an employer, the Authority has a legal duty to prepare and publish a policy statement in relation to exercising a number of discretionary powers under the regulations which apply to the LGPS.
- 1.3 Setting a discretions policy as a scheme employer gives the Authority flexibility in managing issues relating to LGPS benefits for current and former employees.

2 Scope

- 2.1 This policy applies to employees or workers that are or have been members of the Local Government Pension Scheme (LGPS) which provides pension benefits to eligible public sector workers.
- 2.2 Derbyshire Pension Fund is the LGPS administrator for the Authority
- 2.3 Active members are those who are:
 - Currently employed by the Authority
 - working and paying into the LGPS
 - under the age of 75
 - not already receiving their pension benefits
- 2.4 Deferred members are ex-employees/workers who previously paid into the Local Government Pension Scheme (LGPS) and since leaving the scheme have left their pension on hold with Derbyshire Pension Fund (DPF).
- 2.5 Pensioner members are in receipt of a LGPS pension.

3 Policy statement

- 3.1 The Authority is committed to recruiting and retaining high calibre employees to deliver its services. Retention includes the ability to continue employment until an employee chooses to retire. On retirement the employee has a number of options dependent on the rules of the LGPS and discretions of the Authority.

4 Responsibilities

- 4.1 The National Park Authority has overall responsibility for agreeing and authorising the LGPS Discretions Policy, any changes to the policy must be agreed by the Members.
- 4.2 Discretionary decisions for all posts below Director will be taken by the Resource Management Meeting (RMM). The decision must involve input from the Chief Finance Officer.
- 4.3 Discretionary decisions for the Chief Executive and non-statutory Chief Officer posts, and/or where the cost is significant (£150K in line with existing policies) will be taken by the Members of the National Park Authority. The decision must involve input from the Chief Finance Officer.
- 4.4 Line Managers will take business cases, with costs and effect on service delivery, to RMM for decision.
- 4.5 Employees will seek guidance on the LGPS regulations from the Derbyshire Pension Fund
- Website: derbyshirepensionfund.org.uk
 - Telephone: 01629 538900
 - Email: pensions@derbyshire.gov.uk

5 Reference

- 5.1 The Local Government Association (LGA) has produced guidance on the associated regulations and a full list of employer's discretions at <http://lgpsregs.org/resources/guidesetc.php>
- 5.2 Derbyshire Pension Fund have produced a guide which can be found on their website <https://derbyshirepensionfund.org.uk/employers/good-practice/employer-discretions.aspx> where the discretions can be cross referenced by the corresponding discretion numbers.

6 Review

- 6.1 The policy will be review every three years or when legislative changes take place.

7 Relevant legislation and key PDNPA policies

- Local Government Pension Scheme Regulations (LGPS) 2013
- LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014
- Equality Act 2010
- PDNPA Flexible Retirement Policy

8 Pension Discretions

The schedule below is to be read in conjunction with

- Derbyshire Pension Fund Employers Discretions guidance at <https://derbyshirepensionfund.org.uk/employers/good-practice/employer-discretions.aspx> (DPF Guidance Reference in third column of table)
- guidance on the LGPS regulations found at: <http://lgpsregs.org/resources/guidesetc.php>

	Regulation reference	DPF Guidance Reference	PDNPA Discretions Policy
<u>Discretions relating to current contributing employees and leavers after 31/03/2014</u>			
Whether, how much, and in what circumstances to contribute to a shared cost APC scheme	R16(2)(e) & R16(4)(d)	1.1	The Authority will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Whether, at full cost to the Scheme employer, to grant extra annual pension of up to £6,822 (figure at 1 April 2018) to an active member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency	R31	1.2	The Authority will not normally grant any additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer
Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age	R30(8)	2.1	The Authority will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.

	Regulation reference	DPF Guidance Reference	PDNPA Discretions Policy
Whether to waive any actuarial reduction on pre and/or post April 2014 benefits paid early on compassionate grounds	TP3(1), TPSch 2, paras 2(1)	2.2	The Authority will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, paras 1(2) and 2(2)	3	The Authority will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Whether all or some benefits can be paid if an employee over 55 reduces their hours or grade (flexible retirement)	R30(6) & TP11(2)	4	The Authority Policy is that all pension benefits are to be paid for cases agreed on reduction of hours or grade, See flexible retirement policy for further details.
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement	R30(8)	4 and/or 2.1	The Authority will not normally waive the actuarial reduction for routine flexible retirements but will consider on a case by case basis waiving in whole or part for workforce reduction flexible retirements – See flexible retirement policy for further details.

	Regulation reference	DPF Guidance Reference	PDNPA Discretions Policy
<u>Discretions relating to leavers 01/04/2008 to 31/03/2014:</u>			
Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30	B30(5), TPSch 2, para 2(1)	2.2	The Authority will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A for a suspended tier 3 member.	B30A(5), TPSch 2, para 2(1)	2.2	The Authority will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Whether to “switch on” the 85 year rule for a deferred member voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, paras 1(2) and 1(1)(c)	3	The Authority will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Whether to “switch on” the 85 year rule for a suspended tier 3 member voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, paras 1(2) and 1(1)(c)	3	The Authority will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.

	Regulation reference	DPF Guidance Reference	PDNPA Discretions Policy
<u>Discretions relating to leavers 01/04/1998 to 31/03/2008:</u>			
Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early.	31(5) & TPSch 2, para 2(1)	2.2	The Authority will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Whether to “switch on” the 85 year rule for a deferred member voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, para 1(2) & 1(1)(f) & R60	3	The Authority will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Grant application for early payment of deferred benefits on or after age 50 and before age 55.	31(2)	5	The Authority will consider early release on a case by case basis, taking into account the business case, HMRC unauthorised payment charges and foreseeable costs to the employer.
Optants out only to get benefits paid from NRD if employer agrees.	31(7A)	6	The Authority will allow optants out to only get benefits paid from normal retirement date (NRD)

	Regulation reference	DPF Guidance Reference	PDNPA Discretions Policy
<u>Discretions relating to leavers before 01/04/1998:</u>			
Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds.	TL4, L106(1) & D11(2)(c)	5	The Authority will consider early release on a case by case basis, taking into account the business case, HMRC unauthorised payment charges and foreseeable costs to the employer.