



# Frome Town Council Local Government Pension Scheme Discretions Policy

The Local Government Pension Scheme Regulations 2008  
(Benefits, Membership and Contributions)

The Local Government Pension Scheme Regulations 2013  
and The Local Government Pension Scheme  
(Transitional Provisions & Savings) Regulations 2014

Date adopted: 24 February 2016  
Version: 2  
Review date: February 2017

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| <b>Regulation R16(2)(e) &amp; R16 (4)(d)</b>  | <b>Policy Decision</b>  |
| <p><b>Shared Cost Additional Pension Scheme</b><br/> An employer can choose to pay for or contribute towards a member's Additional Pension Contract via a Shared Cost Additional Pension Contract (SCAPC)<br/> This discretion does not relate to cases where a member has a period of authorised unpaid leave and elects within 30 days of return to work to pay SCAPC to cover the amount of pension lost during that period of absence.</p>  | <p>Frome Town Council will only exercise this discretion in exceptional circumstances following permission from the Internal Affairs Committee after consideration of the costs that would apply.</p>   |
| <b>Regulation R30(6) &amp; TP11(2)</b>  | <b>Policy Decision</b>  |
| <p><b>Flexible Retirement</b><br/> Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade.<br/> In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights.</p>  | <p>Frome Town Council will consider employee requests to take flexible retirement on a case by case basis after taking into account business needs and costs that may apply. The Internal Affairs Committee will be responsible for all requests to take flexible retirement.</p> |
| <b>Regulation R30(8)</b>  | <b>Policy decision</b>  |
| <p><b>Waiving of actuarial reduction</b><br/> Employers have the power to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members benefits paid on the grounds of flexible retirement.<br/> Employers may also waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to member's benefits for deferred members and suspended tier 3 ill health pensioners who elect to draw benefits on or after age 60 and before normal pension age.<br/> Employers also have the power to waive, in whole or in part, the actuarial reduction applied to active members benefits when a member chooses to voluntarily draw benefits on or after age 55 and before age 60.</p> | <p>Frome Town Council will only waive the actuarial reduction on flexible retirement in exceptional circumstances following approval by the Internal Affairs Committee.</p>   |

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| <b>Regulation TPSch 2, para 2(2) &amp; 2(3)</b>  | <b>Policy decision</b>   |
| <p><b>Power of employing authority to ‘switch on’ the 85 Year Rule</b></p> <p>An employer can choose whether to “switch on” 85 year rule for members who voluntarily retire on or after age 55 and before age 60.</p> <p>An employer can also choose to waive, on compassionate grounds, the actuarial reduction applied to benefits for a member voluntarily drawing benefits on or after age 55 and before age 60.</p>   | <p>Frome Town Council will only agree to ‘switch on’ the 85 year rule in exceptional circumstances following approval from the Internal Affairs Committee after considering the costs that will apply.</p>   |
| <b>Regulation R31</b>  | <b>Policy decision</b>   |
| <p><b>Power of employing authority to grant additional pension</b></p> <p>An employer can choose to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500* per annum)</p> <p>(* the figure of £6,500 will be increased each April under Pensions Increase orders)</p>  | <p>Frome Town Council will only exercise this discretion in exceptional circumstances. This discretion will only be exercised with the expressed permission from the Internal Affairs Committee after consideration of the costs that would apply.</p> |
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| <b>Regulation B18</b>  | <b>Policy decision</b>   |
| <p><b>Flexible retirement</b></p> <p>Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade.</p> <p>In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights.</p> | <p>Frome Town Council will only exercise this discretion in exceptional circumstances. This discretion will only be exercised with the expressed permission from the Internal Affairs Committee after consideration of the costs that would apply.</p> |
| <b>Regulation B30</b>  | <b>Policy decision</b>   |
| <p><b>Choice of early payment of pension</b></p> <p><b>B30(2)</b> Employers can also allow the early payment of deferred benefits to former members of the LGPS between the ages of 55 and 59.</p> <p><b>Please note where a deferred member left the LGPS before 1 April 2008 the employer policy under the 1997 Regulations will apply.</b></p> <p><b>B30A(3)</b> Employers may also grant an application for reinstatement of a suspended tier 3 ill health</p>   | <p>Frome Town Council will only exercise this discretion in exceptional circumstances. This discretion will only be exercised with the expressed permission from the Internal Affairs Committee after consideration of the costs that would apply.</p> |

pension on or after age 55 and before age 60.

**B30(5) & B30A(5)** In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights

These policies may be subject to review from time to time. Any subsequent change in this Policy Statement will be notified to affected employees.

Signed on behalf of: \_\_\_\_\_

Signature of authorised officer:  
\_\_\_\_\_

Date: \_\_\_\_\_

Print name of authorised officer:  
\_\_\_\_\_

Job title: \_\_\_\_\_