



Congleton Town Council

Historic market town

Town Clerk: BRIAN HOGAN



31st July, 2014

Dear Councillor,

Personnel Committee – Thursday 7th August 2014

You are requested to attend a meeting of the Personnel Committee, to be held at Congleton Town Hall on Thursday 7th August, 2014 at 7.00 pm.

Yours sincerely,

TOWN CLERK

AGENDA

1. Apologies for absence. (Members are reminded of the necessity to give apologies in advance of the meeting and to give reasons for absence).

2. Minutes (enclosed)

To confirm the minutes of the meetings held on the 30th January 2014.

3. Declarations of Interest

Members are requested to declare both “non pecuniary” and “pecuniary” interests as early in the meeting as they become aware of it.

4. Outstanding Actions

None

5. Unison (enclosed)

To receive and consider correspondence from Unison relating to a trade dispute in pursuit of a national pay claim.



Congleton
beartown
where friends are made

Congleton Town Council, Town Hall, High Street, Congleton, Cheshire CW12 1BN

Tel: 01260 270350 Fax: 01260 280357

Email: info@congletontowncouncil.co.uk www.congleton-tc.gov.uk



6. Cheshire Pension Fund Valuation (enclosed)

To consider correspondence from the Cheshire Pension Fund concerning the 2013 triennial valuation results.

7. Pension Discretions Policy (enclosed)

To consider a statement from the Cheshire Pension Fund relating to amendments to the Pensions Discretion Policy and to consider a revised Pension Discretions Policy for the Town Council.

8. Resolution to exclude the Public and Press

To consider passing a resolution in accordance with the Public Bodies (Admission to Meetings) Act 1960, that public and press be excluded from the meeting for the matters Set out below on the grounds that it could involve the likely disclosure of private and confidential information or staff matters.

9. Streetscape and Town Hall staffing (enclosed)

To consider two reports and proposals on Streetscape and Town Hall staffing.

To Members of the Personnel Committee
 Mayor, Deputy Mayor & Leader of Council
ccs. Other members of the Council for information
 Honorary Burgesses (5) (for information)
 Press (3)

Congleton Town Council

Minutes of the Personnel Committee meeting held on
Thursday, 30th January 2014

PRESENT: Councillors D T Brown (Chairman)
G R Edwards
Mrs S A Holland
Mrs A M Martin
Mrs J D Parry
Mrs E Wardlaw
G S Williams

1. APOLOGIES

Apologies for absence were received from Councillors J S Crowther and D A Parker.

Apologies were also received from Ex-Officio members Cllrs G P Hayes and D Murphy and Cllrs Mrs J D Parry and NT Price who are not members of this particular committee.

2 MINUTES OF THE PREVIOUS MEETING

PERS/06/1314 RESOLVED –That the Minutes of the meeting held on 8th August 2013 be approved and signed by the Chairman.

3 DECLARATIONS OF INTEREST

Members are requested to declare both “non-pecuniary” and “pecuniary” interests as early in the meeting as they become aware of it.

Cllrs Mrs S A Holland declared a non-pecuniary interest in item 8.

4 OUTSTANDING ACTIONS

None.

5 COMMUNITIES OFFICER

The notion of renewing the contract of the Communities Officer who works to co-ordinate Partnership matters was considered.

PERS/07/1314 RESOLVED that the Contract of Employment for the Communities Officer be renewed for a further 2 years ending on 31st March 2016.

6 OFFICE JUNIOR

The Committee considered employing an office junior which is a requirement of the business Plan for Streetscape. Consideration was given to ensure the Council derived best value for money via the recruitment process either using a Job Centre plus Scheme or Apprenticeship funded scheme.

PERS/08/1314 RESOLVED that: -

1. An office junior be recruited.
2. Job description to be circulated to members for comments.

7 RESOLUTION TO EXCLUDE THE PUBLIC & PRESS

PERS/09/1213 RESOLVED –That in accordance with the Public Bodies (Admission to Meetings) Act 1960, public and press be excluded from the meeting for the matters set out below on the grounds that it could involve the likely disclosure of private and confidential information or staff matters.

MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS EXCLUDED

8 STREETSCAPE

The Committee noted that the existing staff and the new members of the team from Streetscape had different holiday entitlement and considered how terms and conditions of employment could be harmonised.

PERS/10/1314 RESOLVED that:

1. Holiday entitlement to be harmonised to 30 days annual leave.
2. Qualification for the additional week's holiday for new and recent starters to be based on 1 additional day of leave for each year of service (maximum 5 days).

9 JOB EVALUTAION – DEVOLVED SERVICES

A report produced by Chris Rolley Associates who undertook a job evaluation exercise on posts within the Town Hall, including that of Facilities Manager and Town Clerk, and its effect on the roles as a consequence of the transfer of Streetscape was considered.

PERS/11/1314 RESOLVED that:

1. The post of Facilities Manager to become LC2 above substantive, starting at Grade 35 with a range of 35-38.
2. The post of Town Clerk to become LC5 substantive, starting at Grade 57 (1 Grade for CiLCA) with a range of 57-60.

10 AOB

Some concern was expressed at the possible increased liabilities that might be incurred in the pension scheme as a consequence of having transferred in new employees from Cheshire East Streetscape.

It was recommended that the Town Clerk contact the Cheshire Pension Fund to request an actuarial valuation.

David Brown
Chairman



Our Ref 881/2466829/01260 280357/TDL

Chief Executive
Congleton Town Council
Town Hall
High Street
CONGLETON
Cheshire
CW12 1BN

950

Gill Archer
UNISON
130 Euston Road
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Phone: 020 7121 5340
Email: g.archer@unison.co.uk

13 May 2014

Dear Chief Executive

TRADE DISPUTE: NJC PAY 2014

I am writing to confirm the trade dispute that continues between members of this union and your organisation.

On behalf of its members, the union seeks agreement that employers which employ employees under NJC terms and conditions will, backdated to 1 April 2014, increase the pay of such employees by a minimum of £1 per hour.

The terms of the trade dispute with your organisation are consistent with the submissions made to the employers side of the NJC nationally by this union.

Unless and until your organisation agrees to such a pay increase for employees employed under NJC terms and conditions, the trade dispute with your organisation will continue. The union's understanding is that your organisation is not prepared to agree to the pay increase put forward by the union on behalf of its members.

Accordingly, the trade dispute with your organisation continues and a notice of ballot is enclosed.

Any communication regarding this notice should be addressed to Ms Gill Archer. Her contact details are shown at the heading of this letter.

Yours faithfully

A handwritten signature in black ink, which appears to read "Heather Wakefield". The signature is written in a cursive, flowing style.

Heather Wakefield
National Secretary
Local Government, Police and Justice



950 - 1 of 7



Our Ref 881/2466829/01260 280357/LOI

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13 May 2014

Dear Chief Executive

**TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992:
NOTICE TO EMPLOYER OF AN OFFICIAL INDUSTRIAL ACTION BALLOT**

Further to our letter to you dated 13 May in which we confirmed that a trade dispute exists between members of this union and your organisation.

UNISON intends to hold a ballot for industrial action. We reasonably believe that ballot papers will be despatched on 23 May 2014.

The ballot is in relation to a trade dispute with your organisation concerning pay rates under National Joint Council terms and conditions, including all matters arising out of and in consequence of this dispute.

We intend to send ballot papers to all members employed by your organisation.

These members comprise:

- (i) all members employed by your organisation paying subscriptions by DOCAS from which information, in relation to these employees, you will be able readily to deduce:
 - a. the total number of employees concerned,
 - b. the categories of employee to which the employees concerned belong and the number of employees concerned in each of those categories, and
 - c. the workplaces at which the employees concerned work and the number of them who work at each of those workplaces

and, in addition:

- (ii) all members employed by your organisation who do not pay subscriptions by DOCAS who are listed overleaf by: category, workplace, the number in each category and at each workplace, and the total number.

The lists and figures described at (ii) above have been arrived at by retrieving information from our membership database as to the categories and workplaces of members, and the number in each category at each workplace. We updated the database for the purpose of



the ballot to ensure accuracy. We will be advising members that they should not vote in the ballot if their employment will terminate before 30 June 2014

The information provided is as accurate as is reasonably practicable in light of the information in the union's possession. If there are any inaccuracies, this will have been caused by factors outside of our control, such as members not informing the union of any changes.

The following independent scrutineer has been appointed:

Electoral Reform Services
Independence House
33 Clarendon Road
London
N8 0NW

A sample ballot paper is attached to this notice.

The ballot will close at 10am on 23 June 2014.

Under section 231A of the Trade Union and Labour Relations (Consolidation) Act 1992, you are entitled, as soon as reasonably practicable after the holding of the ballot, to be informed of the number of:

- a) votes cast in the ballot;
- b) individuals answering "Yes" to the question;
- c) individuals answering "No" to the question; and
- d) spoiled voting papers.

The union will provide this information by posting it on its website at <http://ballotresults.unison.org.uk>

The union will make that information available on its website at that address (not the main UNISON website) as soon as is reasonably practicable after the holding of the ballot, and that is expected to be by no later than 5pm on 23 June 2014.

Any communication regarding this notice should be addressed to Ms Gill Archer. Her contact details are shown at the heading of this letter.

Yours faithfully



Heather Wakefield
National Secretary
Local Government, Police and Justice

Our Ref 881/2466829/01260 280357/LOI



Our Ref 881/2466829/01260 280357/LOI

Congleton Town Council - UNISON - Non-Docas membership

Job Description	Workplace Name	Members
Total Non Docas Members		0





BALLOT PAPER

RE: Trade dispute concerning pay rates under National Joint Council terms and conditions, including all matters arising out of and in consequence of the dispute.

Are you prepared to take part in a strike?

Place a cross (x) in the box of your choice below.

YES

NO

In the event of a vote in favour of industrial action, UNISON's National Executive Council has authorised the General Secretary to call upon members to take part, or continue to take part, in industrial action.

If you take part in a strike or other industrial action, you may be in breach of your contract of employment. However, if you are dismissed for taking part in strike or other industrial action which is called officially and is otherwise lawful, the dismissal will be unfair if it takes place fewer than twelve weeks after you started taking part in the action, and depending on the circumstances may be unfair if it takes place later.

If you anticipate that you will no longer be employed on or before 30 June 2014, then you should not vote in this ballot.

Your vote is secret

PLEASE RETURN YOUR COMPLETED BALLOT PAPER IN THE PRE-PAID ENVELOPE PROVIDED.

Your completed ballot paper should be returned to **REACH** the Independent Scrutineer, Electoral Reform Services, 33 Clarendon Road, London, N8 0NW no later than **10am, 23 June 2014.**





Chief Executive
Congleton Town Council
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23 June 2014

Dear Chief Executive,

NOTIFICATION OF BALLOT RESULT

In our letter dated 13 May 2014 we informed you of our intention to ballot members in connection with pay rates under National Joint Council terms and conditions

The ballot closed at 10am on 23 June 2014.

The result of the ballot is as follows:

Question: Are you prepared to take part in a strike?

Total number of votes cast:	85,020
Total number voting "Yes":	49,836
Total number voting "No":	35,062
Total number spoiled:	122

Any communication regarding this notice should be addressed to Gill Archer. Her contact details are shown at the heading of this letter.

Yours faithfully

A handwritten signature in black ink, reading "Heather Wakefield".

Heather Wakefield
National Secretary
Local Government, Police and Justice



Our Ref 881/2466829/01260 280357/NOA

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Town Hall
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30 June 2014

Dear Chief Executive

**SECTION 234A TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT
1992: NOTICE TO EMPLOYER OF INDUSTRIAL ACTION**

We wrote on 13 May 2014 informing you of our intention to hold a ballot for industrial action. We have sent you the results of the ballot which closed on 23 June 2014.

Following the result of this ballot we intend to call members to take part in industrial action. The intended date for members to take part in discontinuous strike action is 10 July 2014.

UNISON intends to call to take part in the discontinuous strike action all members employed by your organisation. These members comprise:

- (i) all members paying subscriptions by DOCAS which information will enable you readily to deduce:
 - a. the total number of employees concerned,
 - b. the categories of employee to which the employees concerned belong and the number of employees concerned in each of those categories, and
 - c. the workplaces at which the employees concerned work and the number of them who work at each of those workplaces

and, in addition:

- (ii) all members who do not pay subscriptions by DOCAS who are listed overleaf by: category, workplace, the number in each category and at each workplace, and the total number.

The lists and figures described at (ii) above have been arrived at by retrieving information from our membership database as to the categories and workplaces of members, and the number in each category at each workplace. Where there are no members employed by your organisation who pay subscriptions by a method other than DOCAS, the list referred to overleaf is blank. We updated the database for the purpose of the ballot to ensure accuracy.

The information provided is as accurate as is reasonably practicable in light of the information in the union's possession. If there are any inaccuracies, this will have been caused by factors outside of our control, such as members not informing the union of any changes.



953 - 1 of 3

The industrial action referred to in this notice is the action decided upon so far. You will be notified of any further industrial action.

Any communication regarding this notice should be addressed to Ms Gill Archer. Her contact details are shown at the heading of this letter.

Yours faithfully

A handwritten signature in black ink, reading "Heather Wakefield". The signature is written in a cursive style with a large initial 'H' and 'W'.

Heather Wakefield
National Secretary
Local Government, Police and Justice



Distribution List
Town/Parish Clerk
Cheshire Town/Parish Councils

Date 20 February 2014

Our Ref:

Your Ref:

Dear Sir/Madam,

Cheshire Pension Fund
2013 Triennial Valuation Results

The 2013 Triennial Valuation process is nearing completion and as part of this final stage, Cheshire West and Chester Council ("the Administering Authority") and the actuary Hymans Robertson are statutorily obliged to publish the final valuation report by 31st March 2014.

The final valuation report will include the Rates and Adjustment Certificate which certifies each employer's contribution rate for the next three years (commencing 1st April 2014) to meet the Administering Authority's funding objectives.

The Administering Authority's funding objectives are set out in the Funding Strategy Statement which was subject to a consultation exercise with employers in January 2014.

As Parish and Town Councils are generally small organisations with few active members of the scheme and a low payroll, the Administering Authority pools together all the liabilities and assets of the Parish and Town Councils and sets one pooled employer contribution rate payable by all members of the pool.

This pooling arrangement provides the benefit of increasing the payroll and membership to help smooth out potentially negative experiences across a greater critical mass. A retirement on ill health for example could be financially damaging for a council with only one or two active members in the Fund. Not all experiences are shared among the pool however and Councils have to fund the cost for their own early retirements individually.

The Administering Authority is conscious of the affordability and sustainability of employer contribution rates and has been working with the actuary to develop a risk based approach to minimise increases to employer contribution rates.

In considering the long term nature and tax backed status of a precepting council, the administering authority and the actuary have agreed a stabilisation mechanism to cap your contribution rate increase to 0.5% per annum over the three year valuation cycle.

The payment schedules below set out the minimum amount the Administering Authority requires to meet its Funding objectives.

Current rate payable until 31 March 2014	Payable from 1 April 2014	Payable from 1 April 2015	Payable from 1 April 2016
18.8%	19.3%	19.8%	20.3%

Inevitably within a pooled approach there will be some Councils who are paying below what their own individual rate might be and equally some who are paying more.

Both the Administering Authority and the actuary believe that the advantages of a pooled approach in sharing some of the pension risks between a bigger membership and payroll is still a sensible and appropriate approach to adopt for the Parish and Town Councils.

Would you please ensure that your payroll provider is notified of the new employer contribution rate effective from 1st April 2014.

If you have any queries relating to this letter please contact Nick Jones, Employer Liaison Manager, via email – nick.jones@cheshirewest.gov.uk.

Yours sincerely,

For Senior Manager, Corporate Finance.

Congleton Town Council

Section 3 - Valuation Results

	31 March 2010 (£000)	31 March 2013 (£000)
Past Service Liabilities		
Active Members	36	164
Deferred Members	0	0
Pensioner Members	0	0
Total	36	164
 Asset Share	 57	 178
 Surplus/(Deficit)	 21	 14
 Funding Level	 157.4%	 108.4%

Section 4 – Proposed Contribution Rates

	% of payroll	Monetary amount (£000) p.a.
Contributions in payment 2013/14	18.8%	0
Proposed contribution rates for the year ending		
31 March 2015	19.3%	
31 March 2016	19.8%	
31 March 2017	20.3%	

Congleton Town Council

Section 1 - Employer Data

Employer membership statistics

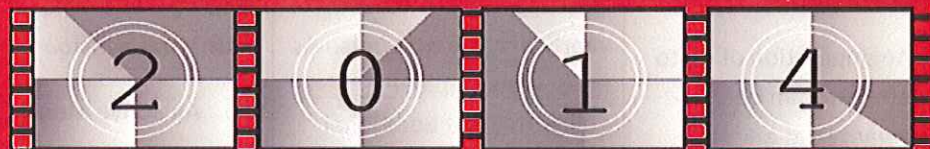
	Number	
	31 March 2010	31 March 2013
Actives	4	5
Deferred Pensioners	0	0
Pensioners	0	0

	Actual Pay / Pension p.a. (£000)	
	31 March 2010	31 March 2013
Actives	66	114
Deferred Pensioners	0	0
Pensioners	0	0

Section 2 - Assumptions

	31 March 2010	31 March 2013
Discount Rate	6.10%	4.60%
Salary Increases	5.30%	3.30%
Pension Increases	3.30%	2.50%

COUNTDOWN TO LGPS



Issue 3, January 2014

Welcome to issue 3 of 'Countdown to LGPS 2014', the newsletter designed to prepare our Employers for the changes brought about by the New Local Government Pension Scheme (LGPS) 2014. In this issue we focus on the Employer Pension Discretions and Pension Contribution Bandings.

All employers participating in the LGPS must prepare and publish policies on their Employers' Pension Discretions and with the introduction of the LGPS 2014 you will need to amend some of your existing policies and also formulate some new ones.

Whilst the Fund can identify the required changes and provide an explanation of what is required by employers to comply with the Pension Regulations, we are unable to advise on what your policy should be. Each Employer will have individual business drivers, funding and HR priorities which will need to be reflected in their policies.

Employer Pension Discretions

Employer Policy Statements should be clear, unambiguous and have regard for overriding equality legislation, making them less open to challenge or appeal. When dealing with appeals, past experience has shown that an ambiguous or unclear policy can lead to scheme members successfully challenging an employer's discretion.

When reviewing your discretions policy it is important to note that only a small number of discretions need a published policy, and in this Newsletter we have updated the relevant policy statement to reflect the changes required from April 2014. In some cases the discretions will remain the same as before and only the regulation number has changed.

Employer Pension Discretions – When are the revised discretions policies required?

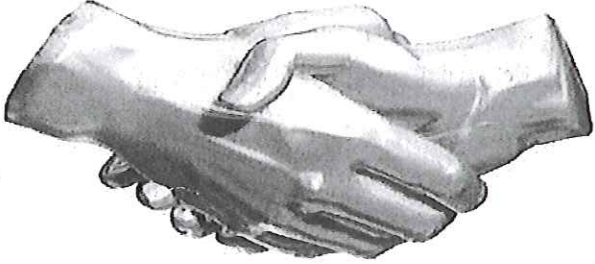
You should publish your policy and send a copy to Cheshire Pension Fund before the 1st July 2014.

If you make a subsequent change please provide Cheshire Pension Fund with a copy of your revised policy statement within a month of the change taking effect.

Contents

*Summary of Published Mandatory Employer Discretions - 2-4, Optional Discretions - 5,
Employer to do list - 6, Pension Contribution Banding Policy - 7-9, Helpful Information - 10*

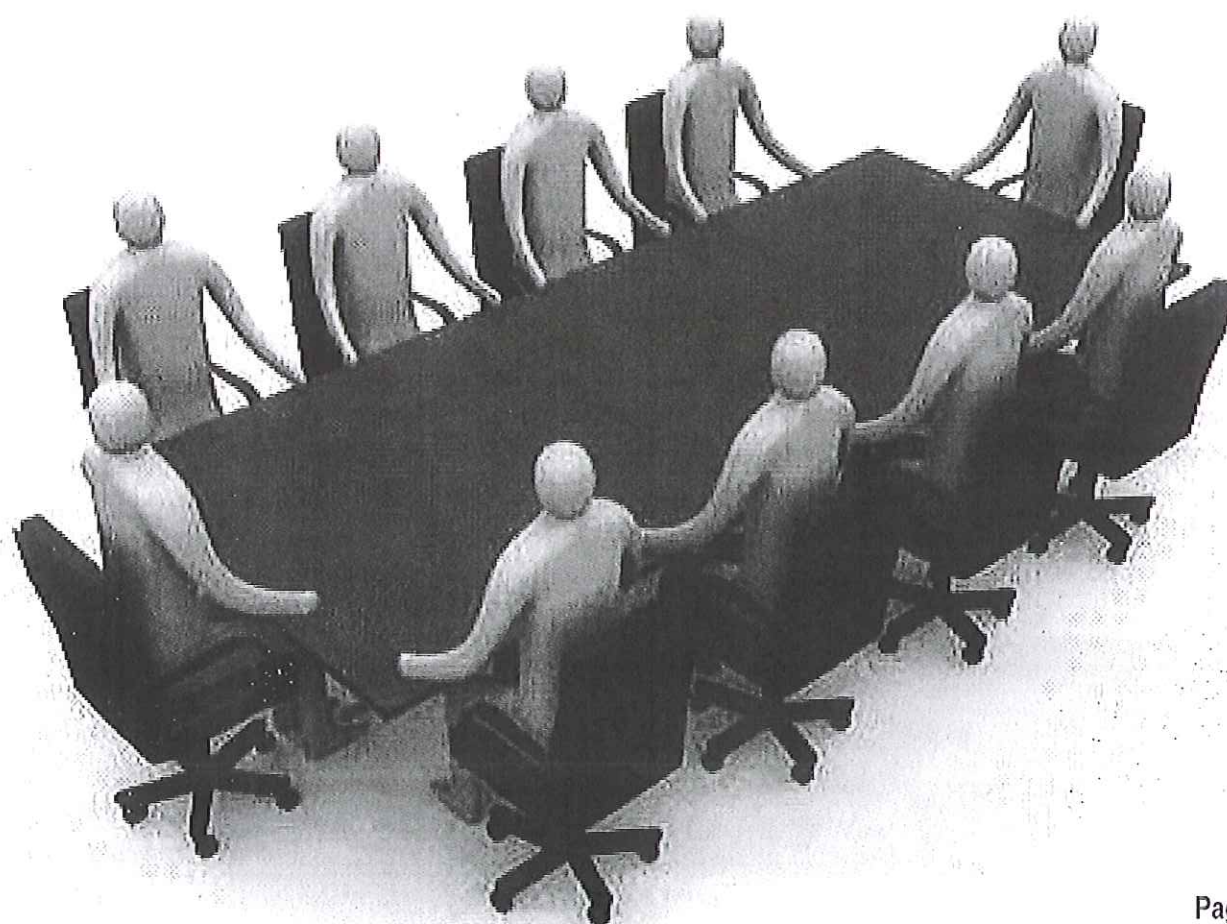
Summary of the Published Employer Discretions

Existing Regulation Pre April 2014	Comments	New Regulation post 2014	Employer Actions
<p>Power to augment membership of an active member (by up to 10 years) Benefit Regulation 12.</p> <ol style="list-style-type: none"> 1. Augmentation of up to 10 years can be awarded at any time whilst the member is in active employment, or up to six months after leaving if the member was made redundant. 2. This regulation is used by the employer to augment pension benefits by adding service. This is most often used in the case of redundancy i.e. members forgo their compensatory element of severance pay to purchase additional service to provide pension income. 	<p>Under the New LGPS 2014, members no longer build up pension service in years, and in future will build up yearly pension accounts. As a result an employer's ability to grant additional years' pension service will no longer be available from April 2014.</p> <p>To replace pension augmentation under the new LGPS 2014 Employers will be able to award additional pension of *£6,500(a year).</p> <p>* For April 2014 the additional pension limit is £6,500 and will be increased on 1st April 2015 and each subsequent 1st April.</p>	<p>Power under Regulation 31 of the LGPS Regulations 2013 for an Employer to award additional pension to:</p> <ol style="list-style-type: none"> 1. An active member, or 2. a member who was an active member who was dismissed under redundancy or business efficiency 	<p>Employer to remove augmentation of membership from their current policy and replace it with their policy on awarding additional pension.</p> <p>NB. The resolution must be made while the member is active, or if the member has been made redundant or retired on the grounds of business efficiency – within 6 months of them leaving.</p>
<p>Ability to award Additional Pension, Benefit Regulation 13 and Administration Regulation 40.</p> <p>An employer may decide to award a member additional pension of not more than £5,000 per year payable from the same date as their pension is payable.</p>	<p>This employer discretion will continue in the New LGPS 2014 but will be dealt with under a New 2013 Pension Regulation (please see section above). The employer can also partly or wholly fund an Additional Pension Contribution (APC) purchase with the member through regular payments under regulation 16(2)(e) or a one off lump sum under regulation 16(4)(d).</p>	<p>Please see section above explaining employers ability to award additional pension.</p> 	<p>Recommend that Employers incorporate their current policy into the above regulation and add their policy on sharing the cost of APCs.</p>

Existing Regulation Pre April 2014	Comments	New Regulation post 2014	Employer Actions
<p>Ability to grant Flexible Retirement under Benefit Regulation 18(1).</p> <p>A member who is aged 55 or over and reduces their hours and/or grade can then, with their employer's consent, take payment of an immediate pension.</p>	<p>This discretion allows a member to 'wind down' towards full retirement by receiving an immediate payment of pension whilst continuing in employment.</p> <p>This option will continue in the New LGPS 2014 but will be dealt with under Regulations 27 and 30(6) of the LGPS 2013 Pension Regulations.</p>	<p>Ability under Regulation 30(6) LGPS 2013 to grant Flexible Retirement.</p>	<p>Although employers will simply need to change their policy to reflect the 2013 Regulations, you may also decide to review your current Flexible Retirement Policy to ensure that it meets the needs of your Business.</p>
<p>Ability to waive in whole or part, actuarial reduction on benefits paid on Flexible Retirement Benefit Regulation 18(3).</p>	<p>This option will continue in the New LGPS 2014 but will be dealt with under Regulation 30(8) of the LGPS 2013 Pension Regulations.</p>	<p>Ability under Regulation 30(8) to waive in whole or part, actuarial reduction on benefits paid on Flexible Retirement.</p>	<p>As above</p>
<p>Allow early payment of benefits from age 55 and before 60 under Benefit Regulation 30(2).</p>	<p>Under the New LGPS 2014 members have an automatic right to receive benefits from age 55.</p>	<p>Under Regulation 30(5) LGPS 2013 all members who have attained the age of 55 or over may elect to receive their pension provided they have left local government service in that employment. Benefits will be reduced by an amount in accordance with guidance issued by the secretary of state.</p>	<p>Your existing policy will still be required for those members who left before the 31/03/14 as they will still fall under the old rules.</p>
<p>To waive all reductions on compassionate grounds when benefits released before age 60 under Benefit Regulation 30(5).</p>	<p>Under the New Regulations employers retain the power to waive some or all of the reduction, but the criteria is no longer restricted to compassionate grounds for benefits post 2014, though compassionate grounds are required for benefits built up before April 2014.</p>	<p>Under regulation 30(8) LGPS 2013 the employer may waive some or all of the reduction that would otherwise apply when a member retires before Normal Pension Age.</p>	<p>Employers will need to agree and publish a policy on whether they will waive some or all of the reduction and on what grounds.</p> <p>Your existing policy will still be required for those members who left before the 31/03/14 as they will still fall under the old rules.</p> <p><i>NB at the time of going to press we are awaiting transitional regulations which will confirm how the reductions would be applied.</i></p>



Existing Regulation Pre April 2014	Comments	New Regulation post 2014	Employer Actions
Allow early payment of a suspended tier 3 ill-health benefit from age 55 Administration Regulation 30A(5).	This discretion is no longer required for leavers post 1 st April 2014, but will need to be retained as an employer discretion for pre 1st April 2014 suspended tier 3 ill health who apply for early payment from age 55.	N/A	Employers must retain existing policy for pre 1st April 2014 leavers.
To waive all reductions on compassionate grounds when suspended tier 3 ill-health benefits are released before age 60 Regulation 30A.	For post 1st April 2014 leavers, applications would be dealt with under Regulation 30(8).	Refer to Regulation 30(8) LGPS 2013 as on page 3.	Employers must retain their existing policy for pre 1st April 2014 suspended tier 3 ill Health retirements who apply for early payment from age 55.



Employer Policies – That don't need to be published.

In the following section we have identified the Employer Discretions where employers are not required to hold a policy. In terms of transparency and best practice we would suggest that employers have a published pension policy for the following discretions.

Existing Regulation Pre April 2014	Comments	New Regulation post 2014	Employer Actions
Determine employer pension contribution banding rate under Benefit Regulation 3.	Employers may have a policy in place stating how frequently they review members contribution banding and in which circumstances this is done mid year. This will continue in the New LGPS Regulation 9. Importantly in the New LGPS pension contribution banding is based on actual earning and not full time equivalent pay.	Determine employer pension contribution banding rate under Regulation 9 LGPS 2013.	Employers should check that their current banding policy meets the needs of the business and ensure the members banding is based on actual earnings. NB. Contribution Banding Policy is covered in more detail on page 6.
Allow a member to aggregate a deferred record with an active one, outside of the 12 months window under Administration Reg (16) (4)(b)(ii).	Aggregation in the LGPS 2014 is automatic unless the member elects to keep separate records within 12 months.	Under regulation 22(8)(b) to allow a member who has not elected within 12 months of rejoining to keep their deferred record separate from their active one.	Employers should have a policy in place.
Whether to contribute to a shared cost AVC arrangement and if so how much Administration Regulation 25(3).	This option will continue in the New LGPS 2014.	Under regulation 17 whether to contribute to a shared cost AVC arrangement and if so how much.	Employers should have a policy in place.
Allow a member to transfer pension rights into the LGPS outside the 12 month time limit. Administration Regulation 83(8)	This option continues in the New LGPS 2014.	Under regulation 100(6) the employer can allow transfers in after the 12 month time limit.	Employers may wish to have a policy in place to either, allow in certain circumstances or not allow, transfers in after the first year. Also subject to Administration Authority approval.



Employer - to do list



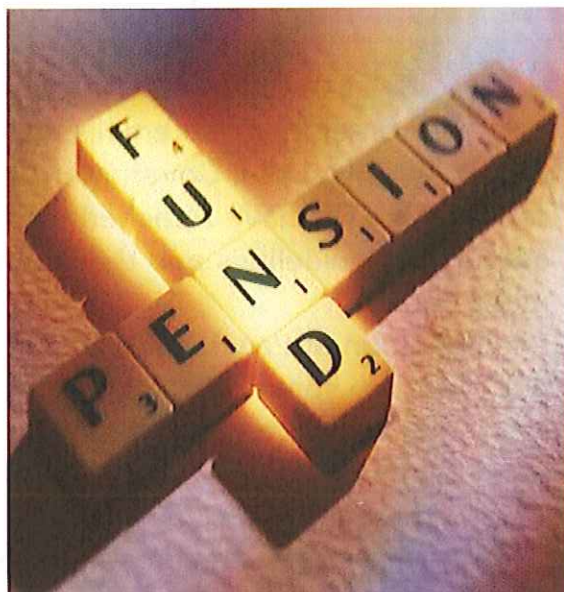
Things you could be doing during February



1. Establish your policies on those new 'Employer Discretions' required by the 2014 regulations - (See pages 2-4) ☐
2. Assess and possibly review policies for those non-mandatory 'Employer Discretions' required by LGPS regulations - (See page 5) ☐
3. Having determined an appropriate contribution rate for all staff from 1st April 2014, employers must (as soon as is reasonably practicable) notify members of; their contribution rate, its effective date and an address, at the employer, where more information about the decision may be obtained and the right to appeal within 6 months of the decision to allocate them into that contribution band. (See pages 7-9) ☐
4. Read the latest versions of the HR and Payroll Guides to LGPS2014. (see page 8) ☐

Pension Contribution Banding Policy

Pension Contribution Banding was first introduced into the LGPS on 1 April 2008, so both members and employers will be familiar with this process which will continue in the New LGPS 2014. However following discussions with Department of Communities and Local Government (DCLG), Employers, Unions based on Actuarial advice the contribution banding table has been realigned to ensure the average member contribution rate remains at 6.5% The contribution banding table is detailed below:



Pensionable Pay	Gross Contribution
Up to £13,500	5.50%
£13,501 - £21,000	5.80%
£21,001 - £34,000	6.50%
£34,001 - £43,000	6.80%
£43,001 - £60,000	8.50%
£60,001 - £85,000	9.90%
£85,001 - £100,000	10.50%
£100,001 - £150,000	11.40%
£150,000 or more	12.50%

The contribution banding will be increased each April in line with the appropriate increase expected to be the consumer price index for the previous September.

New definition of Pensionable Pay - how will this affect the Contribution Banding Policy

In previous editions and emails we have provided you with copies and links to the comprehensive Local Government Association (LGA) HR and Payroll guides and for convenience we have attached the link **here**. The LGA guides provide detailed operational guidelines and these documents cover the following information in much more detail.

The definition of Pensionable Pay in the 2014 Scheme is basically the same as it is now, but there are some changes which are listed below:

- Non contractual overtime is now pensionable
- Under the New Scheme Pensionable Pay is based on actual earnings and not Full Time Equivalent Pay (this will affect part-time and term time workers who will now pay contributions on actual earnings)
- Payments in consideration of loss of future pensionable payments or benefits are no longer pensionable

Please refer to the following link which takes you through to the full definition of pensionable pay contained in the **LGA HR and Payroll Guide**.

Allocating Members into Pension Contribution Bands

Allocating members who are not expected to undertake additional hours to an appropriate band is relatively straightforward. However, for those members who are expected to undertake additional hours or overtime when the exact earnings for the year are unknown is more complex. In these circumstances the employer could consider a few options:

- To use the rate of contractual pay
- To use the annual contractual pay plus an estimate of the non contractual overtime or additional hours
- To use the hourly contractual rate multiplied by the estimated number of hours to be worked in a full year

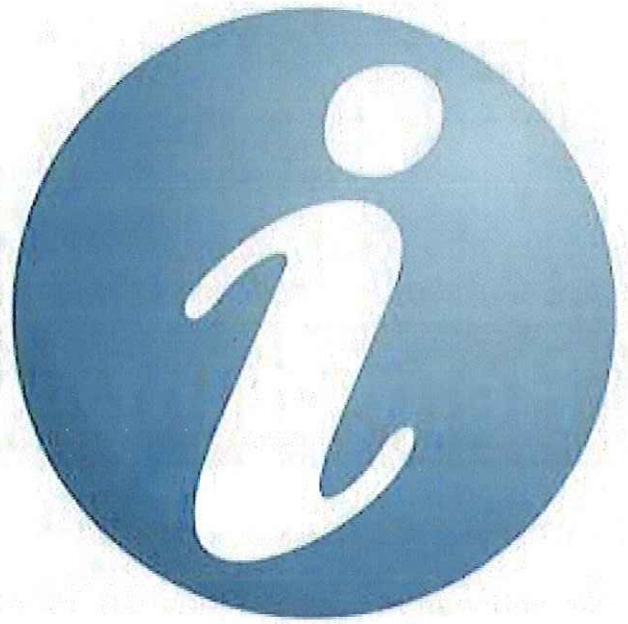
What about members who have no contractual hours?

This category of member includes casual employees or employees on zero hour contracts. In these cases the employer will need to either:

- Make a reasonable assessment on the number of hours the person is likely to work
- Allocate the employee to the lowest band (5.5%)
- Allocate the employee to 6.5% band on the basis that this is the average contribution rate for Scheme Members

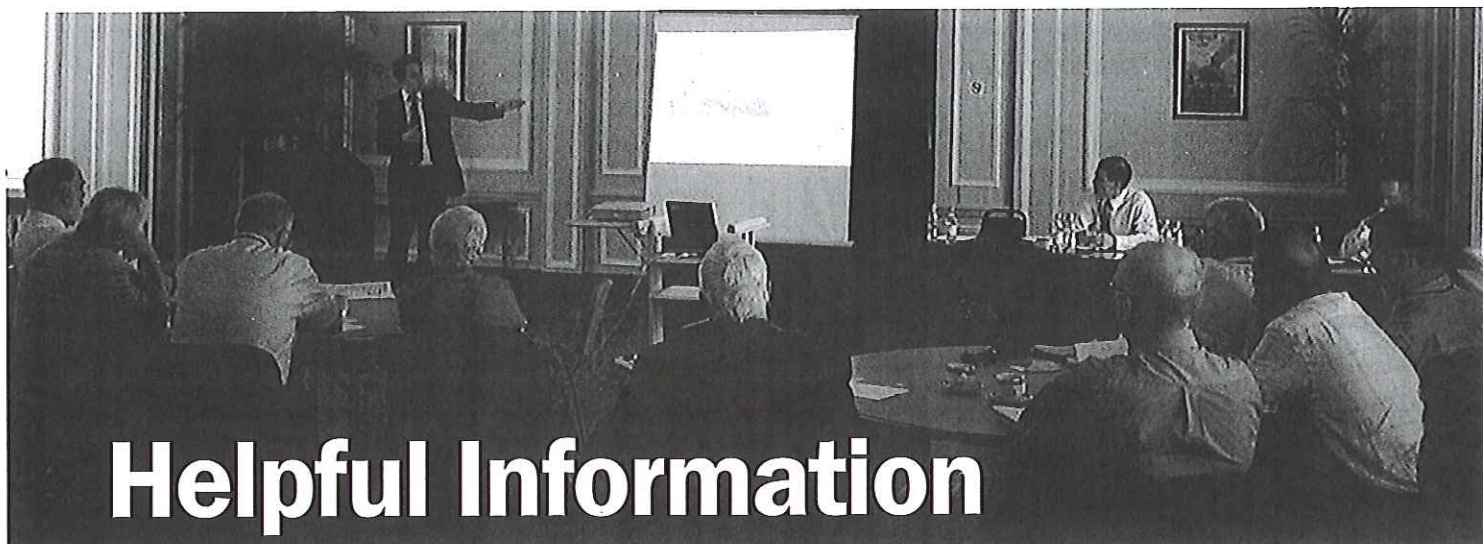
Employer's policy on reviewing the Contribution Band

Once the initial pay band and contribution rate have been determined for an employee, the employer is required to reassess the appropriate band each April and is permitted to review the appropriate band and rate on any material change during a scheme year. Therefore an employer may change the members band and rate in the event of promotion or reduction in salary, increasing or decreasing their contractual hours.



Notifying Members of their Pension Banding and Contribution

Having determined the appropriate contribution rate the employer must (as soon as reasonably practicable) notify the members of the contribution rate and the date it is effective from. The notification must also include the address from where more information about the decision may be obtained and the right to appeal within 6 months of the decision to allocate them into that contribution band. It is for the employer to decide the method used to communicate the notification.



Helpful Information

Employer Guides for the LGPS 2014

As mentioned in previous Newsletters, the Local Government Association (LGA) have published a HR and a separate Payroll Guide which provides employers with a comprehensive guide to all the changes required and a step by step guide to the actions employers will need to take in the lead up to 1st April 2014. These guides are regularly updated with tracked changes.

The following links will take you directly to the guide:

HR Guide to the 2014 Scheme

Payroll Guide to the 2014 Scheme

To supplement the LGA document the Cheshire Pension Fund has produced its own document for employers and their payroll provider which outlines some of the key changes referred to by the LGA and explains their impact on the ways in which data is exchanged between the Fund and its employers, this document can be accessed at the following link: **LGPS Payroll requirements for Employers**

Published by:

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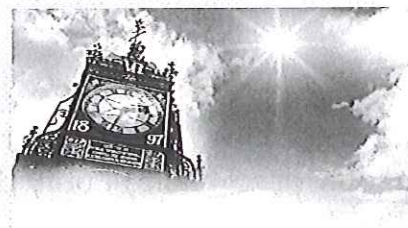
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Email:

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andchester.gov.uk

Fund Websites:

Cheshirepensionfund.org
lgps2014.org



NEED a password to access the Employer's Section?



If you would like to have access to the employer section within www.cheshirepensionfund.org please contact the Pension Helpdesk, on 01244 976000 or Email: Pensioncomms@cheshirewestandchester.gov.uk

**Coming up in the next issue -
Calculating Assumed Pensionable Pay
and the 50/50 option**

CONGLETON TOWN COUNCIL

PENSIONS DISCRETIONS POLICY

1. Introduction

- 1.1 There is a legal requirement for the Council to publish a policy statement on its approach to specified pensions discretions. The policy also sets out the Council's approach to other discretions.

2. Policy

- 2.1 The policy addresses the discretions available to the Council under the Local Government Pension Scheme (LGPS) Regulations.

3. Aims/Principles

- 3.1 To operate pensions discretions in a way that is fair and equitable to employees and that manages the liabilities of the pension fund in the overall interests of its members and of the Council.

4. Scope/Application

- 4.1 The Policy applies to all Council employees who are eligible for membership of the Local Government Pension Scheme.
- 4.2 The exercise of discretions outside the general approach detailed in Appendix 1 will be subject to a decision of the Council or of a Committee or Panel with appropriate delegated powers.

5. Definitions

- 5.1 Active member: an employee who is currently a member of the Council's Pension Scheme
- 5.2 Deferred member: an employee or former employee who has benefits in the Council's pension scheme from an earlier period of service

Appendix 1(Policy on Pensions Discretions)

APPROACH TO THE USE OF PENSIONS DISCRETIONS

1. Regulation 31 - Power under Regulation 31 of the LGPS Regulations 2013 to award additional pension

Explanation - An employer may resolve to increase the total yearly pension account of an active member. The maximum that can be awarded is an additional pension of £6.500 (a year). The award is funded by a payment made by the employer to the pension fund.

Policy - This power will not be used, other than in exceptional circumstances

2. Regulation 30(6) - Flexible retirement

Explanation - This discretion allows members to "wind down" towards full retirement by receiving immediate payment of their accrued pension whilst continuing in employment. A member who is age 55 or over (age 50 if they make an election before 31 March 2010) may, with their employer's consent, reduce their hours and/or grade and receive all or part of their pension without retiring. If payment occurs before age 65 the benefits are actuarially reduced but the employer may waive part or the whole of the reduction with the cost of this being paid to the pension fund.

2.1 **Policy** - May be agreed where an employee reduces their hours by at least one fifth, and/or their pay grade by at least two grades. Approval must be granted in conjunction with the change in contract and will take account of the Council's overall best interests and value for money.

2.2 Where pension is released under this discretion, it will be on an actuarially reduced basis where the current Pension Scheme Regulations allow for this.

3. Regulation 30(8) - Actuarial reduction on benefits paid on Flexible Retirement

Explanation - This discretion allows members to "wind down" towards full retirement by waiving immediate payment of their accrued pension in whole or in part actuarial reduction on benefits paid on Flexible Retirement

2.1 **Policy** - May be agreed where an employee reduces their hours by at least one fifth, and/or their pay grade by at least two grades. Approval must be granted in conjunction with the change in contract and will take account of the Council's overall best interests and value for money.

- 2.2 Where pension is released under this discretion, it will be on an actuarially reduced basis where the current Pension Scheme Regulations allow for this.

4. Regulation 30A (3) - Choice of early payment of pension

Explanation - Members, who have left employment before 31/03/14, may choose to receive early payment of their retirement benefits from age 55, subject to the consent of their employer. Members aged 60 and over do not need their employer's consent.

The Council's Discretion

Applications for early release of benefits should be made in writing to the Town Clerk.

Upon receipt of the application to request early payment of pension, the Council will make their decision on the following grounds:

- Previous performance and conduct including any disciplinary action
- Circumstances on hardship grounds
- Circumstances on compassionate grounds
- The burden of additional costs
- A detrimental effect on the ability to meet service demand
- An inability to recruit additional staff
- A detrimental impact on quality
- A detrimental impact on performance

The Council may hold a meeting with the employee/previous employee in order to ascertain certain information relevant to making the decision. The Council will write to the employee to confirm whether they consent to the early release or not. The Council does not resolve to waive any reduction or enhance benefits awarded under this regulation.

- 4.1 **Policy for Active Members** - Early release of pension to an active employee will only be approved where the Council is satisfied that such release represents value for money, or is on compassionate grounds. The Council will release benefits on compassionate grounds in full for active members.
- 4.2 **Policy for Deferred Members** - Early release of pension to a former employee will only be approved where the Council is satisfied that such release is on compassionate grounds.

5. Regulation 30(5) - Choice of early payment of pension

Explanation - Members, who have left employment after 31/03/14, may choose to receive early payment of their retirement benefits from age

55, subject to the consent of their employer. Benefits will be reduced by an amount in accordance with guidance issued by the Secretary of State. Members aged 60 and over do not need their employer's consent.

The Council's Discretion

Applications for early release of benefits should be made in writing to the Town Clerk.

Upon receipt of the application to request early payment of pension, the Council will make their decision on the following grounds:

- Previous performance and conduct including any disciplinary action
- Circumstances on hardship grounds
- Circumstances on compassionate grounds
- The burden of additional costs
- A detrimental effect on the ability to meet service demand
- An inability to recruit additional staff
- A detrimental impact on quality
- A detrimental impact on performance

The Council may hold a meeting with the employee/previous employee in order to ascertain certain information relevant to making the decision. The Council will write to the employee to confirm whether they consent to the early release or not. The Council does not resolve to waive any reduction or enhance benefits awarded under this regulation.

5.1 Policy for Active Members - Early release of pension to an active employee will only be approved where the Council is satisfied that such release represents value for money, or is on compassionate grounds. The Council will release benefits on compassionate grounds in full for active members.

5.2 Policy for Deferred Members - Early release of pension to a former employee will only be approved where the Council is satisfied that such release is on compassionate grounds.

6. Regulation 30(8) – To waive reduction in pension on compassionate grounds

Explanation - Employers may determine to waive some or all of the reduction that would otherwise apply when a member retires before Normal Pension Age

6.1 Policy - May be agreed where an employee presents compassionate grounds or other reasons acceptable to the Town Council after 1st April 2014. Prior to this date applications will only be considered on Compassionate grounds.

7. Regulation 3 - Contributions payable by active members

Explanation - Employers will determine the contribution rate to be paid by employees at commencement of membership based on their whole-time equivalent pensionable pay and in accordance with the table (bands increased by RPI each April) in this regulation.

Where there has been a permanent material change to a member's pensionable pay in the course of a financial year, the employer may re-determine the contribution rate to be applied.

- 7.1 Policy** - Employees will be allocated to a contribution band once a year from 1st April and this will only change if their contract changes permanently (i.e. a promotion or downgrading). Any other changes to pay will be taken into account when the band is reviewed on the following 1st April.

8. Regulation 16 - Re-employment and rejoining deferred members

Explanation - Where a deferred member becomes an active member again before becoming entitled to the immediate payment of retirement benefits in respect of his former membership, he may elect to have his former membership aggregated with his current active membership.

An election must be made in writing to the member's appropriate administering authority before the expiry of the period of 12 months, beginning with the date that he again became an active member (or any such longer period as his employer may allow).

- 8.1 Policy** - An employee may elect to aggregate current and previous periods of membership within 12 months of current membership commencing. Extensions to the 12 month period will not normally be allowed, although sympathetic consideration will be given where the current employment is initially temporary.

9. Regulation 22 - Applications to make absence contributions

Explanation - Where members have been absent without pay due to maternity leave, industrial dispute or an authorised leave of absence they have 30 days from returning to work or termination of employment to opt to pay the relevant contributions to enable the membership to count. Employers have the discretion to extend the 30 day period from the end of the absence for a person to apply in writing to make contributions.

- 9.1 Policy** - An employee may elect within 30 days of notification of an unpaid absence to make up the lost contributions. Extensions to the

30 day period will not normally be allowed, other than in exceptional circumstances. .

10.0 Regulation 83 - Inward transfer of pension rights

Explanation - A person who becomes an active member who has relevant pension rights may request their fund authority to accept a transfer value for some, or all, of his former rights. An election must be made in writing before the expiry of the period of 12 months, beginning with the date that he became an active member (or any such longer period as his employer may allow).

- 10.1 Policy** - An employee may elect to transfer rights from a previous pension scheme within 12 months of joining the LGPS. Extensions to the 12 month period will not normally be allowed, although sympathetic consideration will be given where the employment is initially temporary.

11. Regulation 11 - Final pay: fees

Explanation - Where a variable time employee's final pensionable pay consists of fees, the final pay is calculated by averaging the sum of all fees earned in a consecutive three year period ending with the termination date. Employers have the discretion to allow the fee earner to average all fees in a three year period ending on 31st March in the last ten year period.

- 11.1 Policy** - The power to allow a fee earner (e.g. returning officer) to average all fees in a three year period within the last ten year period will not be used (the three years prior to the termination date will be used).

12. Regulation 20 - Early leavers – ill health

Explanation - The Council can award one of three tiers of ill health benefits to employees at any age. Before doing so the case must be referred to an Independent Registered Medical Practitioner (IRMP) who will provide an opinion and medical certificate as to whether or not the employee is permanently incapable of undertaking the duties of their employment and whether they have a reduced likelihood of obtaining any gainful employment before age 65.

- 12.1 Policy** - The power of the employer to award one of the three tiers of Ill health pension benefits.

13. Regulation 31 - Early payments of deferred pension – ill health

- 13.1 Requests from former employees with deferred benefits who seek early release of their pension on the grounds of ill health will be considered in accordance with the guidance issued by the Department of Communities and Local Government.