

CONGLETON TOWN COUNCIL

COMMITTEE REPORTS AND UPDATES

COMMITTEE:	Council		
MEETING DATE AND TIME	27 th April 2023 7.00pm	LOCATION	Congleton Town Hall
REPORT FROM	Serena Van Schepdael – Responsible Financial Officer (RFO)		
AGENDA ITEM REPORT TITLE	Pension Discretion Policy		
Background	The Council’s Pension fund is through the Local Government Pension Scheme, our administrators are The Cheshire Pension Fund (CPF). As part of this scheme we must hold a Pension Discretion Policy, a copy of the policy must be submitted to Cheshire Pension Fund.		
Details	<p>Our current policy was approved in 2018 and requires a review and update.</p> <p>The attached draft policy (appendix ***). The policy has been written on the template provided by CPF. The Policy has been checked by our HR Providers who are happy with the draft policy. Explanation for each Regulation are included in the Draft Policy.</p> <p>The Draft Policy was approved by the Finance and Policy Committee on 23rd March 2023- FAP/63/2223</p>		
Decision Requested	To approve the Employers Pension Discretions Policy and to adopt it into the Constitution.		

Local Government Pension Scheme 2014 (Administered by the Cheshire Pension Fund)

Employer Pension Discretions Policy Statements for Employees

Employer name: CONGLETON TOWN COUNCIL

Effective date of discretions:

Completed by:

***Signed:**

Date:

***We cannot accept your discretions if you have not signed this document. If you are completing an electronic copy please type your name in full.**

Employer Discretions

COMPULSORY - Policy Statements in accordance with Local Government Pension Scheme Regulations 2013

REGULATION 16 (2)(e) & (4)(d)

Ability to contribute to a shared cost additional pension contribution (APC) scheme

EXPLANATION Where an employee has elected to pay Additional Pension Contributions (APCs) an employer can elect to fund part or the entire employees share of the contributions.

In your policy you must decide:

- if you would consider contributing to a shared cost APC,
- in what circumstances you would enforce this discretion, and,
- how much you would contribute.

Note: this discretion only relates to cases where the member is working as normal rather than being on authorised leave without pay. For cases where members are on authorised leave without pay e.g. as a result of an approved career break or unpaid additional maternity leave the employer must fund 2/3rds of the contribution if the member makes an election within 30 days of returning to work.

Please state your policy in the box below:

Employees may elect to pay additional pension contributions into a scheme established by the Pension Fund. The Council will not contribute to a shared cost APC for an employee.

REGULATION 30 (6) & (8)

Ability to award flexible retirement & waive actuarial reduction

EXPLANATION A member who is aged 55 or over and with their employer's consent reduces their hours and/or grade, can then, but only with the agreement of the employer, make an election to the administering authority to receive all or part payment of their accrued benefits without having retired from that employment. In your policy you must decide:

- if you will consider granting flexible retirement,
- the circumstances in which flexible retirement will be awarded, and
- whether to waive any reduction that will be applied to the members benefits. There will be a direct cost to the employer.

Please state your policy in the box below:

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.

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

The Council will not waive any reduction that will be applied to the members benefits where there is a cost to The Council.

REGULATION 30 (8)

Ability to waive some or all of early retirement reduction on benefits if a member retires before Normal Pension Age (NPA) – For both active and deferred members

EXPLANATION Employers can elect to waive some or all of the reduction on benefits if a member chooses to retire and take their benefits before their Normal Pension Age (NPA).

In your policy you must decide:

- if you will consider waiving any reductions,
- the circumstances in which you would consider waiving any reductions, and
- whether to waive any reduction that will be applied to the members benefits. There will be a direct cost to the employer.

Please state your policy in the box below:

As a consequence of flexible retirement there may be a reduction to the benefit paid where the employee does so before the age of 65

The Council will not waive any reduction that will be applied to the members benefits where there is a cost to The Council.

TRANSITIONAL PROTECTIONS – Regulation 1 (1)(c) SCHEDULE 2

Power of employing authority to ‘switch on’ the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60

EXPLANATION A member who meets the 85 year rule and elects to draw their pension benefits from age 55 will no longer require their employer’s consent if they retire after 31st March 2014. However certain members will lose some 85 year rule protections if they wish to draw their pension between age 55 and 59.

An employer may decide to ‘switch on’ protection to the 85 year rule for a member who voluntarily retires from age 55 but before age 60, and meet any additional cost of the retirement.

In your policy you must decide:

- if you will consider switching the 85 year rule on for this group of members which may result in a direct cost for the employer.

Please state your policy in the box below:

An employee may voluntarily retire from the age of 55. The Council will not consider switching the 85 rule on for this group of members where it will result in a direct net cost to the Council.

REGULATION 31

Ability 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

EXPLANATION An employer may decide to award a member additional pension up to a limit of £6755 per year* payable from the same date as their pension is payable.

You must resolve to award additional pension while the member is active. If the member has been made redundant or retired on efficiency grounds you must make this resolution within 6 months of them leaving.

***IMPORTANT NOTE: The amount of additional pension that can be awarded will increase each April.**

In your policy you must decide:

- if you will consider awarding additional pension to a member, and
- the circumstances in which you will consider awarding additional pension

Please state your policy in the box below:

The Council will not consider awarding additional pension to a member.