

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

ITEM FOR STAFFING COMMITTEE

30 November 2015

**1. LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 2014
STATEMENT OF POLICIES CONCERNING EXERCISE OF DISCRETIONARY POWERS**

Submitted by: Chief Executive

Portfolio: Finance, IT and Customer

Purpose of the Report

To obtain the Committee's approval for the new format and additional statements required under Regulations 60 and 66 of the Local Government Pension Scheme Regulations 2008 and 2013.

Recommendations

That the policy detailed at Appendix A be approved.

Background/Issues

- 1.1 The Local Government Pension Scheme Regulations contain a number of discretionary powers for employing authorities that participate in the provision of occupational pensions via local government pension funds.
- 1.2 Under Regulation 60 of the Local Government Pension Scheme Regulations 2013 and Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008, employing authorities are required to publish, review and (if necessary) revise policy statements identifying which discretionary powers they have adopted. Copies of these statements must also be sent to the relevant administering authority (in our case, this is Staffordshire County Council).
- 1.3 The council's current list of statements was approved by Cabinet in March 2009. It was revised in April 2010 to remove references to age 50 as these were no longer relevant following the criteria that came into force on 1 April 2010 regarding entitlement to immediate benefits in cases of voluntary early retirement/redundancy (changing from age 50 to age 55).
- 1.4 The council's Flexible Retirement Scheme, which was also approved by Cabinet in March 2009, contained the following discretion under LGPS Regulations 2013 (6) Flexible Retirement:

To allow the immediate payment of benefits to an eligible employee who is a member of the Local Government Pension Scheme and satisfies the general qualification for benefits, is aged at least 55, and has the agreement of his/her employing Directorate to reduce his/her hours of work and/or rate of pay in the post in which they are employed.

This would be subject to the employing Directorate being able to demonstrate a business case for allowing flexible retirement, a reduction in the costs of employing the person of a at

least 40%, and the costs of the retirement remaining within the budget of the division concerned.

It is now necessary to incorporate this into the council's list of statements.

- 1.7 The council's discretion regarding its power to consent to a person's choice of early payment of pension is exercised under Regulation B30 (2) and is contained in the current list of statements:

To allow an application for early payment of deferred benefits on or after age 55 and before age 60. The Council will not normally give consent under this Regulation, however it may be exercised in exceptional circumstances or compassionate grounds and only if the increasing cost incurred remains within budget.

If consent is given, the pension benefits would be reduced in accordance with guidance issued by the Government Actuary.

- 1.10 The Council has the discretion to use Regulation 2013 R31, to award additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (maximum amount £6,675 per annum with effect from 01.04.2015), however the Council has chosen not to use this discretion where a LGPS member is dismissed on the grounds of redundancy and that person is entitled to a redundancy payment.
- 1.11 The full details of the Council's proposed statement on Discretionary Powers is included in Appendix A.