



ERPF Statement of Policy on LGPS 2014

The Constellation Trust



Statement of policy

on the Local Government Pension Scheme Regulations (LGPS) 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

The Employing body which is The Constellation Trust

has resolved that the following discretions available in the above Statutory Instruments, should be implemented in compliance with Regulation 60 of the LGPS Regulations 2013 and paragraph 2(2) of Schedule 2 of the LGPS (Transitional etc) Regulations 2014 as set out below:

PART A - where formulation of policy is compulsory

REGULATION 16(2)(e) and 16(4)(d)	POLICY DECISION
<p><i>Discretion of employing authority to decide to pay towards the cost of Additional Pension Contributions (APCs)</i></p> <p>Where an active scheme member has decided to make Additional Pension Contributions (APCs) to purchase extra pension benefits (up to £6,500 per annum), the employer can resolve to voluntarily contribute towards the cost of this.</p> <p>Note: This does not include instances where the employee is paying for lost pension via an APC where the election was made in the first 30 days – here the employer must pay two-thirds of the cost of such purchase</p>	<p><i>This discretion will not be exercised.</i></p>

REGULATION 30(6)	POLICY DECISION
<p><i>Flexible Retirement</i></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 whilst 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 the reduction either fully or in part or a member has protected rights.</p>	<p><i>Trust non-teaching employees may request to reduce their hours of work or the grade of their post and at the same time receive their accrued pension benefits. This will only be approved if a strong business case is presented which shows an efficiency benefit to The Constellation Trust. Any actuarial reductions that may be applied will depend on individual circumstances.</i></p>
REGULATION 30(8)	POLICY DECISION
<p><i>Power of employer to waive actuarial reductions</i></p> <p>Employers can agree to waive any actuarial reductions due in the case of employees retiring anytime after age 55. This does not have to be due to 'compassionate' reasons.</p> <p>If this discretion is used, the employer will pick up the cost of waiving reductions as an immediate strain cost payment.</p>	<p><i>Trust non-teaching employees may request to reduce their hours of work or the grade of their post and at the same time receive their accrued pension benefits. This will only be approved if a strong business case is presented which shows an efficiency benefit to The Constellation Trust. Any actuarial reductions that may be applied will depend on individual circumstances.</i></p>

REGULATION 31	POLICY DECISION
<p><i>Power of employing authority to grant additional pension of up to £6,500 annual pension</i></p> <p>An employer may resolve to grant extra pension of up to £6,500 (figure at 1 April 2014) to an active Scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.</p>	<p><i>Trust non-teaching employees may request early payment of pension. This will only be approved if a strong business case can be presented to prove that on an individual case by case basis, the approval would be in the financial interests of The Constellation Trust.</i></p> <p><i>Any actuarial reductions that may be applied will depend on individual circumstances.</i></p>
REGULATION 1 (1)(c) Schedule 2 Transitional Regulations	POLICY DECISION
<p><i>Power of the employer to 'switch' back on the 85-year rule for employees retiring between ages 55 and 60</i></p>	<p><i>This discretion will not be exercised.</i></p>

Employees are able to voluntarily retire between ages 55 and 60, post-31 March 2014 and onwards. Formerly this was only with employer permission and if granted, the employer would have paid any strain cost due if the employee met the 85-year rule.

The 85-year rule does not automatically apply to members retiring between 55 and 60 as the facility to retire voluntarily between 55 and 60 is a new facility.

The employer has the discretion to 'switch' back on the 85-year rule for employees leaving between 55 and 60, thus allowing employees to not have reductions (or have lesser reductions). In these cases the employer would have associated strain costs that would have to be paid by the organisation instead.

There are other non-compulsory discretions available for

The Constellation Trust to consider, and cases where these may arise in the future will be considered on an individual basis; the merits of each case being fully investigated.

The Constellation Trust in exercising the discretionary powers available under the above Regulations has acted with due prudence and propriety and considered the financial impact of applying the discretions.

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

The Constellation Trust will notify the Fund of any revisions to this Statement within one month of the revised policy taking effect.

Signed on behalf of: The Constellation Trust

Completed by: Stephen Rogers Position: Executive Director of Finance

Signature: Date: 2 3 0 1 1 7

PART B - where formulation is undertaken by the ERPF as administering authority

REGULATION 30 (8) (formerly Regulation 30 Administration Regulations (2008)	POLICY DECISION Approved by the Pensions Committee (Minute 816, 14 December 2012)
<p><i>Choice of early payment of pension in cases where a member's former employing authority has ceased to exist</i></p> <p>Where a member's former employer has ceased to exist and there is no successor body, the administering authority can allow the early payment of deferred benefits to former members of the LGPS between the ages of 55 and 59. In such cases, pension benefits will be reduced in accordance with actuarial tables unless the administering authority waives reduction on compassionate grounds or a member has protected rights.</p>	<p>Each case will be initially assessed taking account of the member's former employer's statement of policy. Where the policy allows for early payment of benefits, then this will be approved if there is no strain on fund costs.</p> <p>Where there is no former employer's statement of policy or if there is strain on fund costs then the request for early payment of benefits will only be approved on compassionate grounds. This is where a deferred member is unable to work because they are providing full time care to a dependant. In compassionate cases, any actuarial reduction will be waived and the strain on fund costs will be met by all Fund employers.</p> <p>The Director of Corporate Resources has delegated authority to exercise the discretion in accordance with the policy.</p>

REGULATION 30 (8) (formerly Regulation 30A, Administration Regulations (2008)	POLICY DECISION Approved by the Pensions Committee (Minute 816, 14 December 2012)
<p><i>Choice of early payment of pension : pensioner member with deferred benefits in cases where a member's former employing authority has ceased to exist</i></p>	<p>Each case will be initially assessed taking account of the member's former employer's statement of policy. Where the policy allows for early payment of the pension, then this will</p>

Where a member's former employer has ceased to exist and there is no successor body, the administering authority can allow the early payment of deferred benefits to pensioner members of the LGPS between the ages of 55 and 59. A deferred pensioner member is a former employee retired on ill health grounds with the award of Tier 3 benefits that have now ceased.

In such cases, pension benefits will be reduced in accordance with actuarial tables unless the administering authority waives reduction on compassionate grounds or a member has protected rights.

be approved if there is no strain on fund costs.

Where there is no former employer's statement of policy or if there is strain on fund costs then the request for early payment of benefits will only be approved on compassionate grounds. This is where a deferred pensioner member is unable to work because they are providing full time care to a dependant. In compassionate cases, any actuarial reduction will be waived and the strain on fund costs will be met by all Fund employers.

The Director of Corporate Resources has delegated authority to exercise the discretion in accordance with the policy.

REGULATION 38 (3) (6) and Transitional Regulation (2014) 12(6) (formerly Regulation 31 Admin Regs (2008))	POLICY DECISION Approved by the Pensions Committee (Minute 816, 14 December 2012)
<p><i>Early payment of pension : ill-health in cases where a member's former employing authority has ceased to exist</i></p> <p>Where a member's former employer has ceased to exist and there is no successor body, the administering authority can allow the early payment of deferred benefits to a deferred member or the suspended Tier 3 ill health pension brought back into payment for a deferred pensioner member of the LGPS before Normal Retirement Age where a member has become permanently incapable of undertaking any gainful employment as defined in the LGPS Regulations 2008.</p> <p>In the case of the deferred pensioner member, this could be because the original ill health condition has worsened or the member is suffering from another ill health condition that renders the deferred pensioner member permanently incapable of undertaking any gainful employment.</p>	<p>Before deciding whether to agree to such a request, the Fund must obtain a certificate from an Independent Registered Medical Practitioner (IRMP) as to whether, in the IRMP's opinion, the member is suffering from a condition that renders the member permanently incapable of undertaking any gainful employment.</p> <p>Where in the IRMP's opinion, the member is suffering from a condition that renders the member permanently incapable of undertaking any gainful employment, the Fund will approve the early payment of the deferred pension benefits or the deferred pensioner tier 3 ill health pension and the strain on fund costs will be met by all Fund employers.</p> <p>The Director of Corporate Resources has delegated authority to exercise the discretion in accordance with the policy.</p>

REGULATION 3 (13) Transitional Regulations 2014 (referencing Regulation 70 of Administration Regulations (2008))	POLICY DECISION Approved by the Pensions Committee (Minute 440, 26 January 2007)
<p><i>Statements of policy concerning abatement of retirement pensions in new employment</i></p> <p>Where a scheme member retires and seeks re-employment, if they choose to remain outside the local government sphere, their pension continues. If they return to an employer who participates in the LGPS, their pension can be reduced or stopped.</p> <p>Subject to consultation with Fund employers, the administering authority has discretion to determine how it wishes to treat re-employed scheme members who retire after 31st March 1998.</p> <p>Abatement (where this is relevant) will only apply to the pre-1 April 2014 accrued pension benefits.</p>	<p>Where the re-employment starts before 1 April 2007, then the policy approved is:</p> <ul style="list-style-type: none"> (a) That any ill health pension should cease in the event of re-employment subject to the protection afforded to members who were subject to the 1995 Regulations; (b) That with regard to other retirement pension no abatement be applied where the statutory pension in payment is £5,000 per annum or less, this amount to be increased in line with the annual index linking from April 1999 and thereafter; and (c) That where an annual statutory pension exceeds £5,000 per annum then the statutory pension in excess of this amount be abated subject to the protection afforded to members who were subject to the 1995 Regulations. <p>Where the re-employment starts after 31 March 2007, there will be no abatement of the retirement pension.</p>