

STATEMENT OF POLICY REGARDING THE EXERCISE OF DISCRETIONS WITHIN THE  
LOCAL GOVERNMENT PENSION SCHEME

Black Sluice Internal Drainage Board

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Please complete this pro forma and return a copy to:

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**Discretions from 1.4.14 in relation to post 31.3.14 active members and post 31.3.14 leavers being discretions under:**

- The Local Government Pension Scheme Regulations 2013 [prefix R]
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [prefix TP]
- The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [prefix B]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]
- The Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]

Importance	Discretion	Regulation	Employer Policy
 Mid	To whom to offer membership of the LGPS (designation bodies)	R3(1)(b) & RSch 2, part 2	All Employees who's engagement exceeds 3 months.
 Mid	Which employees to designate for membership (admission bodies)	R3(1)(c) & R4(2)(b)	All Employees who's engagement exceeds 3 months.
 Mid	Determine rate of employees' contributions	R9(1) & R9(3)	Rates are determined on estimated pay, taking into consideration the previous years pay, in March each year for the following financial year.
 High	Whether, how much, and in what circumstances to contribute to a shared cost APC scheme	R16(2)(e) & R16(4)(d)	New discretion - This discretion will not be adopted.
 Low	Whether, how much, and in what circumstances to contribute to a shared cost AVC arrangement entered into on or after 1.4.14	R17(1) & definition of SCAVC in RSch 1	New discretion - This discretion will not be adopted.
 Low	Whether, how much, and in what circumstances to contribute to a shared cost AVC arrangement entered into before 1.4.14	TP15(1)(d) & A25(3)	This discretion will not be adopted.
 Low	Allow late application to convert scheme AVCs into membership credit i.e. allow application more than 30 days after cessation of active membership (where AVC arrangement was entered into before 13.11.01)	TP15(1)(b) & L66(8) & former L66(9)(b)	New discretion - This discretion will not be adopted.







	No right to return of contributions if member left due to offence of a fraudulent character or grave misconduct unless employer directs a total or partial refund is to be made	R19(2)	Expectation is that a refund of contributions would not be made to employees who are dismissed from their employment as a result of fraudulent misconduct however the decision to allow a partial or full refund will be considered in exceptional circumstances.
	Specify in an employee's contract what other payments or benefits, other than those specified in R20(1)(a) and not otherwise precluded by R20(2), are to be pensionable	R20(1)(b)	The Lincolnshire ADA Wages and Salaries and conditions of service book (White Book) specifies any allowances which are payable.
	In determining Assumed Pensionable Pay, whether a lump sum payment made in the previous 12 months is a "regular lump sum"	R21(5)	New discretion – All Lump Sum payments will be excluded when determining Assumed Pensionable Pay.
	Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment	R22(8)(b)	New discretion – The 12 month period can only be extended to correct administrative errors.
	Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with an ongoing concurrent employment	R22(7)(b)	New discretion – The 12 month period can only be extended to correct administrative errors.
	Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)	R30(6) & TP11(2)	Dealt with on a case by case basis taking into account any financial implications.
	Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement	R30(8)	Dealt with on a case by case basis taking into account any financial implications.
	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age	R30(8)	Dealt with on a case by case basis taking into account any financial implications.
	Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60	TPSch 2, paras 2(1) and 2(2)	Dealt with on a case by case basis taking into account any financial implications.








	Whether to waive any actuarial reduction on pre and/or post April 2014 benefits	TP3(1), TPSch 2, paras 2(1) and 2(2), B30(5) and B30A(5)	Dealt with on a case by case basis taking into account any financial implications.
	Whether 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 pa)	R31	The decision to award additional pension will be considered on a case by case basis in exceptional circumstances.
	Whether to use a certificate produced by an IRMP (Independent Registered Medical Practitioner) under the 2008 Scheme for the purposes of making an ill health determination under the 2014 Scheme	TP12(6)	Dealt with on a case by case basis and still taking into account medical advice from the Board's occupational health provider.
	Determine whether a member is entitled to an ill health retirement pension, and what tier of benefit to be awarded.	R36	Dealt with on a case by case basis, taking into account medical advice from the Board's occupational health provider.
	Whether to recover any overpaid Tier 3 pension following commencement of gainful employment	R37(3)	Dealt with on a case by case basis, taking into account medical advice from the Board's occupational health provider.
	Decide whether deferred beneficiary meets criteria of being permanently incapable of former job because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years, whichever is the sooner	R38(3)	Dealt with on a case by case basis, taking into account medical advice from the Board's occupational health provider.
	Decide whether a suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health	R38(6)	Dealt with on a case by case basis taking into account any financial implications.
	Whether to extend six month period to lodge a stage one IDRP appeal	R74(4)	Expectation is that extensions will not be given for the six month period to lodge a Stage One IDRP Appeal however this will be considered, by the stage 1 Adjudicator, in exceptional circumstances.
	Whether to apply to Secretary of State for a forfeiture certificate (where member is convicted of a relevant offence)	R91(1) & (8)	Dealt with on a case by case basis taking into account any financial implications.

	<p>Where forfeiture certificate is issued, whether to direct that benefits are to be forfeited (other than rights to GMP – but see R95 below)</p>	<p>R91(4)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Where forfeiture certificate is issued, whether to direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits</p>	<p>R92(1) &amp; (2)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Whether to recover from Fund any monetary obligation or, if less, the value of the member's benefits (other than benefits from transferred in pension rights or APCs or AVCs or subject to R95 below, in respect of any GMP) where the obligation was incurred as a result of a grave misconduct or a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment</p>	<p>R93 (2)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Whether, if the member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts, forfeiture under R91 or recovery of a monetary obligation under R93 should deprive the member or member's surviving spouse or civil partner of any GMP entitlement.</p>	<p>R95</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS</p>	<p>R100(68)</p>	<p>Requests to extend the 12 month period will be dealt with on a case by case basis taking into account any financial implications.</p>

**Discretions in relation to scheme members who ceased active membership on or after 1.4.08 and before 1.4.14, being discretions under:**








- **The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]**
- **The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 [prefix B]**
- **The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]**
- **The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 [prefix TP]**
- **The Local Government Pension Scheme Regulations 2013 [prefix R]**
- **The Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]**

Importance	Discretion	Regulation	Employer Policy
 High	Whether, for a member leaving on the grounds of redundancy or business efficiency on or before 31 <sup>st</sup> March 2014, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving. Hence this discretion is spent entirely after 30 <sup>th</sup> September 2014.	B12	The decision to award additional membership will be considered on a case by case basis in exceptional circumstances.
 Mid	Allow late application to convert scheme AVCs into membership credit i.e. allow application more than 30 days after cessation of active membership	Tsch1 & L66(8) & former L66(9)(b)	Requests to extend the 30 day time period be considered on a case by case basis.
 Mid	No right to return of contributions due to offence of a fraudulent character or grave misconduct unless employer directs a total or partial refund is to be made	A47(2)	Expectation is that a refund of contributions would not be made to employees who are dismissed from their employment as a result of fraudulent misconduct however the decision to allow a partial or full refund will be considered in exceptional circumstances.
 Mid	Whether to apply to Secretary of State for a forfeiture certificate (where member is convicted of a relevant offence)	A72(1) & (6)	Dealt with on a case by case basis taking into account any financial implications.
 Mid	Where forfeiture certificate is issued, whether to direct that benefits are to be forfeited	A72(3)	Dealt with on a case by case basis taking into account any financial implications.
 Mid	Where forfeiture certificate is issued, whether to direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits	A73(1) & (2)	Dealt with on a case by case basis taking into account any financial implications.



	<p>Whether to recover from Fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs/SCAVCs) where the obligation was incurred as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment</p>	<p>A74(2)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Whether to recover from Fund any financial loss caused by fraudulent offence or grave misconduct of employee (who has left because of that), or amount of refund if less</p>	<p>A76(2) &amp; (3)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60</p>	<p>B30(2)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30</p>	<p>B30(5)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p> <p>Board's definition of compassion is "situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child, parent) leading to unavoidable financial hardship".</p> <p>In all cases, some form of independent corroboration will be required.</p>
	<p>Whether to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60</p>	<p>B30A(3)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p>
	<p>Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A</p>	<p>B30A(5)</p>	<p>Dealt with on a case by case basis taking into account any financial implications.</p> <p>Board's definition of compassion is "situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child, parent) leading to unavoidable financial hardship".</p> <p>In all cases, some form of independent corroboration will be required.</p>
	<p>Decide whether deferred beneficiary meets permanent ill health and reduced likelihood of gainful employment criteria</p>	<p>B31(4)</p>	<p>Dealt with on a case by case basis, taking into account medical advice from the Board's occupational health provider.</p>

 Mid	Decide whether a suspended ill health tier 3 member is permanently incapable of undertaking any gainful employment	B31(7)	Dealt with on a case by case basis, taking into account medical advice from the Board's occupational health provider.
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**Discretions under the Local Government Pension Scheme Regulations 1997 (as amended) in relation to scheme members who ceased active membership on or after 1.4.98 and before 1.4.08**



Importance	Discretion	Regulation	Employer Policy
 High	Grant application from a post 31.3.98 / pre 1.4.08 leaver for early payment of benefits on or after age 50/55 and before age 60 (see Note below)	31(2)	Dealt with on a case by case basis taking into account any financial implications.
 High	Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early to a post 31.3.98 / pre 1.4.08 leaver.	31(5)	Dealt with on a case by case basis taking into account any financial implications.  Board's definition of compassion is "situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child, parent) leading to unavoidable financial hardship".  In all cases, some form of independent corroboration will be required.
 High	Pre 1.4.08 optants out only to get benefits paid from NRD if employer agrees	31(7A)	Dealt with on a case by case basis.
 Low	Decide, in the absence from a post 31.3.98 / pre 1.4.08 leaver of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership	34(1)(b)	Dealt with on a case by case basis.
 Mid	No right to return of contributions due to offence of a fraudulent character unless employer directs a total or partial refund is to be made (pre 1.4.08 leavers)	88(2)	Expectation is that a refund of contributions would not be made to employees who are dismissed from their employment as a result of fraudulent misconduct however the decision to allow a partial or full refund will be considered in exceptional circumstances.
 Mid	Forfeiture of pension rights on issue of Secretary of State's certificate ( pre 1.4.08 leavers)	111(2) & (5)	Dealt with on a case by case basis taking into account any financial implications.
 Mid	Where forfeiture certificate is issued, direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits (pre	112(1)	Dealt with on a case by case basis taking into account any financial implications.



	1.4.08 leavers)		
	Recovery from Fund of monetary obligation owed by former employee or, if less, the value of the member's benefits (other than transferred in pension rights) (pre 1.4.08 leavers)	113(2)	Dealt with on a case by case basis taking into account any financial implications.
	Recovery from Fund of financial loss caused by employee, or amount of refund if less (pre 1.4.08 leavers)	115(2) & (3)	Dealt with on a case by case basis taking into account any financial implications.


**Note:** benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. Also, any part of the benefits which had accrued after 5 April 2006 would generate a scheme sanction charge.

#### Discretions under the Local Government Pension Scheme Regulations 1995 (as amended) in relation to pre 1.4.98 scheme leavers

Importance	Discretion	Regulation	Employer Policy
	Grant application from a pre 1.4.98 leaver for early payment of deferred benefits on or after age 50 on compassionate grounds (see Note below)	D11(2)(c)	Dealt with on a case by case basis with final decision taken by the Head of People Management.  Board's definition of compassion is "situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child, parent) leading to unavoidable financial hardship".  In all cases, some form of independent corroboration will be required.
	Decide, in the absence from a pre 1.4.98 leaver of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership	D10	Dealt with on a case by case basis.

**Note:** benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. However, as the benefits had accrued prior to 6 April 2006, they would not generate a scheme sanction charge.

I warrant that the above policies reflect the policy intention of Black Sluice Internal Drainage Board as at 25<sup>th</sup> June 2014.

Signed: 

Position: Finance Manager / Responsible Financial Officer