

Cury Parish Council

Local Government Pension Scheme (LGPS) – Discretions Policy for Cornwall Pension Fund

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| Implementation date | September 2025 |
| Next review date: | September 2028 |

| Discretion | Regulation reference | Employer discretions policy |
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| <u>Discretions relating to current contributing employees and leavers after 31/03/2014</u> | | |
| Whether, how much, and in what circumstances to contribute to a shared cost APC scheme | R16(2)(e) & R16(4)(d) | Cury Parish Council will only consider this discretion in exceptional circumstances. This discretion will only be exercised with the express permission of Council (or delegated Committee) after consideration of the costs that would apply. |
| This discretion only relates to cases when the member is working as normal rather than absent from work with permission but no pensionable pay – in the latter scenario, employers must fund it if necessary) | | |
| Whether to extend 30 day deadline for member to elect for a shared cost APC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave). | R16(16) | Cury Parish Council will not extend the 30 day deadline unless maladministration is proven whereby a 30-day deadline will be triggered from the date of the letter offering the member the opportunity to buy back their lost pension as a shared cost additional pension contribution. |
| The LGPS regulations state where a person takes unauthorised unpaid leave the employer must write to the member within 30 days of returning to work to offer them the opportunity to buy back their lost pension as a shared cost additional pension contribution (SCAPC). If the member elects to buy back this lost pension within 30 days then it must be a shared cost (one third member, two thirds employer). By not allowing the extension, the employer is limiting their costs to the first 30 days only or by allowing this extension, this would potentially allow the member to apply at any time for a SCAPC unless time limited. Consideration: if the employer does not wish to extend the 30 day deadline, what happens if maladministration is identified and the member did not receive their letter to buy back the lost pension in 30 days upon returning to work? If the employer wishes to extend the 30 day deadline, in what circumstances would this be allowed? | | |

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| Whether, at full cost to the Scheme employer, to grant extra annual pension, up to the LGPS additional pension limit (reviewed annually), to an active member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency | R31 | Cury Parish Council will only consider this discretion in exceptional circumstances, such as to attract or retain key members of staff. This discretion will only be exercised with the express permission of Council (or delegated Committee) after consideration of the costs that would apply. |
| <p>The employer may award an additional pension which must not exceed £6,675 a year. The regulations stipulate that no survivor benefits are payable on this additional pension.</p> <p><i>Consideration: granting this discretion will result in an immediate increase to an employee's pension benefits. This could increase the employees benefit growth in that scheme year above the annual allowance limit, which could result in an additional tax liability for the employee.</i></p> | | |
| Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age | R30(8) | Cury Parish Council will only waive the actuarial reduction on flexible retirement in exceptional circumstances following approval from the Council or delegated Committee, after consideration of the costs that would apply. |
| <p>In cases of redundancy or efficiency, retirement benefits are payable between the age of 55 and 60. Under these circumstances the employer is required to cover the additional cost to the pension fund.</p> <p>For permanent ill health there is no age restriction and no immediate additional employer cost, any additional cost is included in the following triennial actuarial valuation. However, an employee may elect from the age of 55 to receive their benefits immediately in cases where the above criteria are not met, for example: voluntary resignation.</p> <p>The Council can agree to waive this actuarial reduction either in the full or part. However this will result in a cost to the Council.</p> | | |
| Whether to waive any actuarial reduction on pre and/or post April 2014 benefits paid early on compassionate grounds | TP3(1), TPSch 2, paras 2(1) | Cury Parish Council will only waive the actuarial reduction on flexible retirement in exceptional circumstances following approval from the Council or delegated Committee, after consideration of the costs that would apply. |
| Employers have the power to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to member's benefits paid on the grounds of compassionate retirement. | | |

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| 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 1(2) and 2(2) | Cury Parish Council will only agree to ‘switch on’ the rule of 85 in exceptional circumstances following approval from the Council (or delegated Committee) after considering the costs that will apply. |
| <p>Where a member retires or leaves the Council’s employment after the age of 55 but before the age of 60, they may elect to draw their benefits. These benefits will be actuarially reduced. The Council can agree to meet full or part of those reductions by ‘switching on’ the 85 year rule. However this would incur an immediate charge for the Council.</p> | | |
| Whether all or some benefits can be paid if an employee over 55 reduces their hours or grade (flexible retirement) | R30(6) & TP11(2) | Cury Parish Council will consider employee requests to take flexible retirement on a case by case basis after taking into account factors such as service delivery, retention of experienced staff, assisting with easing down to retirement, to help avoid redundancies, and any costs that may apply. This discretion will only be exercised with the express permission of the Council or delegated Committee. |
| <p>Active members aged 55 and over may request payment of the accrued pension benefits from the Council whilst remaining in employment, providing the member either reduces their hours or moves to a position on a lower grade.</p> <p>Employees being awarded flexible retirement below normal pension age will be subject to an actuarial reduction to their benefits, however this reduction can be waived by the Council but would result in a cost to the Council.</p> | | |
| Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement | R30(8) | Cury Parish Council will only waive the actuarial reduction on flexible retirement in exceptional circumstances following express approval from the Council (or delegated Committee) after consideration of the costs that would apply. |
| <p>In cases of redundancy or efficiency, retirement benefits are payable between the age of 55 and 60. Under these circumstances the employer is required to cover the additional cost to the pension fund.</p> <p>For permanent ill health there is no age restriction and no immediate additional employer cost, any additional cost is included in the following triennial actuarial valuation. However, an employee may elect from the age of 55 to receive their benefits immediately in cases where the above criteria are not met, for example: voluntary resignation.</p> <p>The Council can agree to waive this actuarial reduction either in the full or part. However this will result in a cost to the Council.</p> | | |

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| Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS. | R100(6) | Cury Parish Council will accept transfers of pension beyond the 12 month deadline, but only where there is no financial implications to the Council, and subject to the agreement of the Administrating Authority. |
| <p>Employees joining the scheme have 12 months in which to request the transfer of pension benefits from a previous employment. In exchange for a payment the employee is awarded a period of Pensionable service (calculated in accordance with their age, sex and rate of pay). The employer and the Administrating Authority (Cornwall Council) may extend the 12 month time limit for requests to transfer pension benefits.</p> <p><i>Consideration: this may have adverse cost implications for the Council, allowances should be made for future investment return, price inflation and nominal pension age.</i></p> | | |

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| Name: | Lee Dunkley | Signature: | <i>L Dunkley</i> | Date: | 9th September 2025 |
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