

Local Government Pension Scheme – Employer Discretions

(Version 2 - Approved by the HR change board meeting on 26.02.2014)

This document outlines Bristol City Council's policy on the employer discretions specified in the Local Government Pension Scheme Regulations 2013, which come into effect from the 1st of April 2014.

Discretions outlined in the LGPS regulations, upon which Employers must make and publish policies

Regulation 16(2)(e) and 16(4)(d) – Benefits regulations. Additional pension contributions

Comment: This regulation allows Bristol City Council to fund employees additional pension contributions (in whole or in part). However funding additional pension contributions for employees would incur considerable costs for the local authority.

Guidelines (effective from 1st April 2014):

Additional pension contributions will not normally be funded in whole or in part by Bristol City Council. Any such payments would only be granted in exceptional cases where there were compassionate grounds.

Regulation 30(6) – Flexible retirement.

Comment: Qualifying scheme members who are over age 55 can, with the City Council's consent, continue to work for the Council on different (lower) terms and conditions (that is reduced hours or grade) and may request to draw their pension entitlements. Benefits payable will be adjusted in accordance with guidance issued by the Government Actuary.

Guidelines (effective from 1st April 2014):

Under the City Council's Flexible Retirement Policy, eligible scheme members can continue to work for the Council on different (lower) terms and conditions (that is reduced hours or grade) and they may draw their pension entitlements at the same time.

Regulation 30(8) – Waiving of actuarial reduction.

Comment: The City Council may choose to waive in whole or in part any reduction applied to individuals drawing their pension benefits before their normal retirement age under regulations 30(5) or 30(6).

Rule of 85 protections

It should be noted that some people may ask for the ‘rule of 85 protections’ to be applied when their pension benefits are being paid, rather than phrasing the question as asking for the ‘waiving of an actuarial reduction’.

Guidelines (updated with effect from 1st April 2014):

Such applications will not normally be approved by Bristol City Council. Applications may only be approved in exceptional circumstances: where there are compassionate grounds to do so; or if it is in the Council’s business interests to allow it.

Regulation 31 – Award of additional pension.

Comment: This regulation allows Bristol City Council to award individuals with additional annual pension benefits. However, awarding additional pension benefits would incur considerable costs for the local authority.

Guidelines (effective from 1st April 2014):

Additional pension benefits will not normally be awarded by Bristol City Council. Any such payments would only be granted in exceptional cases where there were compassionate grounds.

BCC policy for the allocation of LGPS employee contribution bands:

Members of the Local Government Pension Scheme (LGPS) will be assigned to the relevant contribution band for the year 2014/15 based upon the pensionable pay that they earned in 2013/14, except where the employee was not working for the whole of that year.

Those employees who were not employed throughout the year until 31st March 2014 will be assigned to the relevant LGPS contribution band based upon their annual salary. If they do not have an annual salary rate

and were not working for the whole of the previous year (for example those working under a casual contract) they will initially be assigned to the lowest LGPS contribution band.