



<b>Policy Title</b>	Employer Pensions Discretions Policy
<b>Policy No.</b>	008
<b>Policy Aim</b>	To set out the Council's Pension Discretions in Policy.
<b>Approval Date</b>	February 2025
<b>Review Date</b>	At the Annual Meeting in a year of Ordinary Elections
<b>Responsible Officer</b>	Town Clerk
<b>Approving Body</b>	Full Council
<b>Minute Reference</b>	C24/182.1

#### Version History

Date	Version	Author / Editor	Comments
Feb 2025	1	Town Clerk	New Policy

#### Review Record

Date	Type of Review Conducted	Summary of Actions Taken or Decisions Made	Completed By

[The LGPS \(Transitional Provisions, Savings and Amendment\) Regulations 2014](#)

[The LGPS Regulations 2013](#)

[The LGPS \(Administration\) Regulations 2008](#) (Benefits, Membership and Contributions)

**Employer name:** Cullompton Town Council

**Policy effective from:** 27 February 2025

These policies may be subject to review from time to time. Affected employees will be notified of any subsequent change to this Policy Statement.

**Print name of authorised officer:** Dan Ledger

**Job title:** Town Clerk

**Signature of authorised officer:** \_\_\_\_\_

**Date:** 27 February 2025

<p><b>Power of employing authority to grant additional pension (Reg 31)</b></p>	<p><b>Policy Decision:</b></p>
<p>An employer can choose to grant extra annual pension (at full cost to themselves) to:</p> <ul style="list-style-type: none"> <li>• an active member; or</li> <li>• to a member, within 6 months of leaving, whose employment was terminated on the grounds of redundancy or business efficiency</li> </ul>	<p>The Council’s policy is not to contribute extra to an employee’s Pension.</p>
<p><b>Shared Cost Additional Pension Contribution (Reg 16(2)(e) &amp; Reg 16(4)(d))</b></p>	<p><b>Policy Decision:</b></p>
<p>Where an active member wishes to purchase extra annual pension by making additional pension contributions (APCs), an employer can choose to voluntarily contribute towards the cost of purchasing that extra pension through a Shared Cost Additional Pension Contribution (SCAPC)</p> <p><b>Note:</b> this discretion does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work (or a longer period if the employer allows) to pay a SCAPC to cover the amount of pension ‘lost’ during that period of absence. In those cases, the employer <u>must</u> contribute 2/3rds of the cost to a SCAPC; there is no discretion (regulation 15(5) of the LGPS Regulations 2013).</p>	<p>The Council’s policy is not to contribute to an employee’s AVC/APC.</p>
<p><b>‘Switch on’ the 85-year rule TPSch 2, para 1(2) &amp; 1(1)(c)</b></p>	<p><b>Policy Decision:</b></p>
<p>The 85-year rule does not automatically fully apply to members who would have had the protection under old regulations, and who choose to voluntarily draw their benefits on or after age 55 and before age 60. An employer can decide to switch the 85-year rule back on in full for such members.</p> <p>Where the Scheme employer does not switch back on the 85-year rule, the member’s benefits will be actuarially reduced. However, the Scheme employer can exercise a discretion to waive any actuarial reductions (at cost to the Scheme employer).</p>	<p>Cullompton Town Council will not ‘switch on’ the 85 year rule for current or former members who voluntarily draw their pension benefits early, except in exceptional circumstances.</p>

Flexible Retirement (R30(6) & TP11(2))	Policy Decision:
<p>An employer can decide whether to permit flexible retirement for staff aged 55 or over who reduce their working hours and/or grade and wish to access their pension benefits.</p> <p>In such cases, pension benefits may be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds.</p> <p>The employee must reduce either their hours, and/or their grade and the employer must agree to the release of the pension.</p> <p>You will need to consider:</p> <ul style="list-style-type: none"> <li>• The minimum reduction in hours or grade required. <i>(The specific reduction required is not set out in the regulations but instead must be determined by the employer and specified in this flexible retirement policy).</i></li> <li>• Whether the employee should commit to a reduction in hours or grade for a minimum period.</li> <li>• Whether the employee should commit to remaining in employment with the employer for a minimum period</li> </ul> <p>You must also state whether, in addition to the benefits the member has accrued prior to 1st April 2008 (which the member must draw), you permit the member to choose to draw:</p> <ul style="list-style-type: none"> <li>• All, part, or none of the benefits they accrued after 31st March 2008 and before 1st April 2014 and/or,</li> <li>• All, part, or none of the benefits accrued after 31st March 2014, and,</li> <li>• Whether to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members' benefits paid on the grounds of flexible retirement before normal retirement age (R30(8)).</li> </ul> <p>Note: If flexible retirement is agreed for a member aged between 55 and 60, there could be a Strain cost to be paid to the Pension Fund by the employer in respect of the pension benefits paid. There would also be a Strain</p>	<p>The Council will not waive any actuarial reduction to an employee's pension benefits in these circumstances</p>

<p>cost payable by the employer where you have waived any actuarial reduction, in whole or in part.</p>	
<p><b>Waive actuarial reductions to members benefits TP3(1) &amp; TP3(5), TPSch 2 (para 2(1), 3(1), 3(2) &amp; 9) B30(5) &amp; B30A(5)</b></p>	<p><b>Policy Decision:</b></p>
<p>An employer can decide whether to waive in whole or in part any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement</p> <p>This applies to:</p> <ul style="list-style-type: none"> <li>• active members voluntarily retiring on or after age 55 and before Normal Pension Age, who elect to immediately draw benefits, and</li> <li>• deferred members and suspended tier 3 ill health pensioners who elect to draw benefits (other than on ill health grounds) on or after age 55 and before Normal Pension Age.</li> </ul>	<p>The Council’s policy is not to waive actuarial reduction.</p>