

## LGPS 2014 Discretions – Statement of Policy

Under the revisions to the LGPS regulations applicable from 1<sup>st</sup> April 2014, all employers are required to publish a statement as to their adopted policy regarding the various discretions permitted under the scheme. This statement is required to be published (and sent to all enrolled employees) **by 30<sup>th</sup> June 2014.**

An introduction to the regulations and a full list of the applicable discretions can be found in “LGPS Regulations and Guidance” at [www.lgpsregs.org/index.php/guides/pdfarchive](http://www.lgpsregs.org/index.php/guides/pdfarchive). The discretions in question are dealt with in Chapter 17.

The discretions involved are:

<i>Reg 31:</i>	Whether to grant additional pension to a member (up to £6,500 p.a.
<i>Reg 16(2)e &amp; Reg 16 (4)d</i>	Whether to make a regular or lump sum Additional Pension Contribution (APC) to a member’s account (part or whole funding this).
<i>Reg 30(6)</i>	Whether all or some pension benefits can be paid if a member aged 55 or over reduces their hours/grade and continues to work (“flexible retirement”).
<i>Reg 30(8)</i>	Waiving actuarial reduction on retirement. Waiving actuarial reduction on early retirement (age 55+) - for both active, deferred members & suspended tier 3 ill health pensions.
<i>TP Regs 1(1)c of Sch 2</i>	Whether to allow the rule of 85 to be “switched on” for members who would normally meet the rule but who will not if they draw the benefits aged 55 – 59.
<i>Regs 22 (8 &amp; 9)</i>	Whether to extend 12-month period to separate previous LG service.
<i>Reg 9 (3)</i>	Determine rate of employee contributions.
<i>Reg 100 (6)</i>	Whether to extend 12-month period to allow a transfer-in of non-LG pension rights.

It must be emphasised that each council that is an employer under an LGPS scheme **must consider, discuss and ultimately adopt its own discretionary policy.**

Local councils are advised not to adopt another local authority’s policy without considering all the implications thereof, but their own principal authority’s policy may well provide a useful template.

Abbreviations used are as follows:

“Regs.” means Regulations of the **Local Government Pension Scheme Regulations 2013** which apply from **1<sup>st</sup> April 2014.**

“TP Regs.” means **LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.**

“LG” means Local Government.

**This briefing was issued by Derek Kemp, NALC’s Audit and Accounts Advisor**

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