



LISKEARD TOWN COUNCIL

LOCAL GOVERNMENT PENSION SCHEME (LGPS) 2014

DISCRETIONS POLICY FOR CORNWALL PENSION FUND

Introduction

All employers who participate in the Local Government Pension Scheme must formulate, publish, and keep under review a statement of policy on all mandatory discretions, which they have power to exercise in relation to existing and former members of the CARE scheme and earlier schemes. This is stipulated in regulation 60 of the LGPS Regulations 2013 and paragraph 2(2) of schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

This sets out in what circumstances it would exercise discretions allowed under the Regulations for issues, such as additional pension, waiving actuarial reductions and flexible retirement. It is recommended under the policy that whilst some elements may, in principle, be supported, they would only ever be considered on a case-by-case basis.

This Policy sets out how Liskeard Town Council will exercise its discretionary functions under the Local Government Pension Scheme (LGPS), administered by the Cornwall Pension Fund. Liskeard Town Council must have regard to the extent to which the exercise of any of the functions, in accordance with this policy could lead to a serious loss of confidence in the public service and be satisfied that this policy is workable, affordable and reasonable having regard to foreseeable costs.

Discretions relating to current contributing employees and leavers after 31/03/2014

1. Shared Cost Additional Pension Contribution (APC) Scheme – Regulation 16(2)(e) & R16(4)(d)

The employer must decide whether, how much, and in what circumstances to contribute to a shared cost APC scheme.

Liskeard Town Council will not exercise this option.

2. Shared cost APC 30 day deadline – Regulation 16(16)

The employer must decide whether to extend the 30 day deadline for a 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).

Liskeard Town Council will consider an extension to the 30 day deadline in exceptional circumstances, which may include hospitalisation, severe ill health or mental incapacity.

3. Additional Pension – Regulation 31

The employer must decide 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.

Liskeard Town Council will not grant an additional pension other than in exceptional circumstances where there is a definable benefit to the Council in doing so.

4. Early Payment of Retirement Benefits – Regulation 30(8)

The employer must decide whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal retirement age.

Liskeard Town Council may elect to waive any actuarial reduction for early retirement where a financial saving can be achieved within two years and there is a definable benefit to the Council.

5. Early Retirement on Compassionate Grounds – Regulation TP3(1), TPSch 2, paras 2(1)

The employer must decide whether to waive any actuarial reduction on pre and/or post April 2014 benefits paid early on compassionate grounds.

Liskeard Town Council will consider a request in exceptional circumstances.

6. Early Payment of Retirement Benefits between aged 55 and 60 – Regulation TPSch 2, paras 1(2) and 2(2)

The employer must decide whether to “switch on” the 85-year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

Liskeard Town Council will not ‘switch on’ the 85 Year Rule for early retirement unless a financial saving can be achieved within two years and there is a definable benefit to the Council.

7. Flexible Retirement – Regulation 30(6) & TP11(2)

The employer must decide whether all or some benefits can be paid if an employee over 55 reduces their hours or grade (flexible retirement)

Liskeard Town Council permits flexible retirement only where there is a benefit to the Council, either financial or operational (such as cost, service delivery and efficiency, succession planning and the retention of experienced staff, to avoid redundancies when facilitating reorganisations/restructuring) and where an employee’s reduced level of earnings together with their pension does not exceed their pre-retirement earnings.

8. Flexible Retirement – Regulation 30(8)

The employer must decide whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.

Liskeard Town Council may elect to waive any actuarial reduction on flexible retirement where a financial saving can be achieved within two years and there is a benefit to the Council or on compassionate grounds.

9. Transfer of Service into the LGPS – Regulation 100(6)

The employer must decide whether to extend the normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.

The Pensions Administration Manager, after consultation with Liskeard Town Council, is authorised to extend the 12 month time limit for allowing active members to transfer benefits from previous pensionable employment into the Cornwall Pension Fund where it is determined that maladministration has occurred as a result of affected employees not having been given any or sufficient details about the pension scheme or transfer option, or where there is no financial implication to the Council and subject to the agreement of the Administering Authority.

Discretions relating to leavers 01/04/2008 to 31/03/2014

10. Actuarial Reduction of Deferred Benefits – Regulation B30A(5), TPSch 2, para 2(1)

The employer must decide whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30.

Liskeard Town Council will not waive any actuarial reduction to the employee's pension benefits.

11. Actuarial Reduction of benefits paid early under B30A for a suspended tier 3 member – Regulation B30A(5), TPSch 2, para 2(1)

The employer must decide whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A for a suspended tier 3 member.

Liskeard Town Council will not waive any actuarial reduction to the employee's pension benefits.

12. Early Payment of Retirement Benefits for a deferred member between aged 55 and 60 – Regulation TPSch 2, paras 1(2) and 1(1)(c)

The employer must decide whether to "switch on" the 85-year rule for a deferred member voluntarily drawing benefits on or after age 55 and before age 60.

Liskeard Town Council will not 'switch on' the 85 Year Rule for early retirement in these circumstances.

13. Early Payment of Retirement Benefits for a suspended tier 3 member between aged 55 and 60 – Regulation TPSch 2, paras 1(2) and 1(1)(c)

The employer must decide whether to "switch on" the 85-year rule for a suspended tier 3 member voluntarily drawing benefits on or after age 55 and before age 60.

Liskeard Town Council will not 'switch on' the 85 Year Rule for early retirement in these circumstances.

Discretions relating to leavers 01/04/1998 to 31/03/2008 and councillors

14. Actuarial Reduction of Deferred Benefits – Regulation 31(5) & TPSch 2, para 2(1)

The employer must decide whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early.

Liskeard Town Council will not waive any actuarial reduction to the employee's pension benefits.

15. Early Payment of Retirement Benefits for a deferred member between aged 55 and 60 – Regulation TPSch 2, paras 1(2) and 1(1)(f) & R60

The employer must decide whether to "switch on" the 85-year rule for a deferred member voluntarily drawing benefits on or after age 55 and before age 60.

Liskeard Town Council will not 'switch on' the 85 Year Rule for early retirement in these circumstances.

16. Early Payment of Deferred Benefits – Regulation 31(2)

The employer must decide whether to grant application for early payment of deferred benefits on or after age 50 and before age 55.

Liskeard Town Council will consider payment of deferred benefits on a case by case basis taking any HMRC charges into account.

Discretions relating to leavers before 01/04/1998

17. Early Payment of Deferred Benefits – Regulation TL4, L106(1) & D11(2)(c)

The employer must decide whether to grant application for early payment of deferred benefits on or after age 50 on compassionate grounds.

Liskeard Town Council will consider payment of deferred benefits on a case by case basis.

Pension Banding Calculation Methodology - Regulation 9

The Council will apply the nationally determined employee contribution rates and bands. These are subject to change and may be varied.

The Council will determine the appropriate contribution band for an employee by using actual pensionable pay, based on contractual hours. This will be assessed in April each year and will only be reviewed during the Scheme year (1 April to 31 March) in the event of a material change which affects the member's actual pensionable pay such as a change of job or contracted hours.

The Council will notify employees of their individual contribution rates in April and thereafter when any rate changes are made.

The Council will pay the rate of contributions determined in the regulations for employees whose pay is reduced through ill health or during authorised unpaid leave, including child related leave.

Policy first adopted 26 September 2017 by the Finance & General Purposes Committee

Policy amended and adopted 23 July 2019 by the Finance & General Purposes Committee

Policy amended and adopted 30 August 2022 by the Finance, Economic Development & General Purposes Committee

Policy amended and adopted 29 July 2025 by Full Council

Review due July 2028

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