

Full Council

Date:	22 July 2014
Title:	Local Government Pension Scheme
Purpose of the Report	To agree a policy on a number of Statutory Discretions
Contact Officer:	Helen Stewart, Town Clerk

Background

1. Under the Local Government Pension Scheme Regulations each Employing Authority is required to formulate, publish and keep under review a policy statement in relation to a number of discretions.
2. The need to have such a policy has been highlighted by the major changes to the pension scheme which became effective from 1 April 2014.
3. The discretions policy statement needs to cover:
 - Power of employing authority to increase total membership of active members
 - Shared cost Additional Pension
 - Flexible retirement
 - Choice of early payment of pension according to the benefits Regulations
 - Power of employing authority to grant additional pension
 - Power to “switch on” the 85 year rule.
4. A draft Discretions Policy (Agenda Item 17b – Appendix), accompanies this report for consideration and adoption. When drafting a policy the employer has to give, where appropriate, consideration to the “Age Regulations”. This means that the policy must be free of age influence or if age related criteria or criteria that could be indirectly age discriminatory are used, the employer would have to defend any claim of age discrimination by satisfying a tribunal that its policy is objective and justified.
5. The new Regulations also require that in preparing or making revisions to its pensions policy statements the scheme employer must have regard to the extent to which the exercise of any of its discretionary polices could lead to a serious loss of confidence in the public service. Alterations should therefore remain within constraints of allowing the Council to deliver quality and value for money services now and in the future.
6. There could be occasions however, where there is such a skill shortage that keeping an employee at an increased cost is better than losing them or having to pay high recruitment or temporary staff costs. The draft policy has been drafted so as to restrict the costs which could fall on the Council by applying discretions, but to permit individual cases to be dealt with on their merits.

Recommendation that:

- i) In respect of the Local Government Pension Scheme the Discretions Policy be adopted.***