



# BODMIN TOWN COUNCIL

## Employer Discretion Policy

### Local Government Pension Scheme (LGPS) (Benefits, Membership & Contributions) Regulations 2007 (as amended)

#### 1 Overview

From 1 April 2008 the Local Government Pension Scheme (Administration) Regulations 2008 came into force, and require each local authority to publish a policy statement detailing how it will exercise the discretionary items in relations to the Local Government Pension Scheme. Bodmin Town Council is considered to be a local authority for the purposes of these regulations.

The purpose of the statement is to manage the severance arrangements for employees where voluntary redundancy or early retirement is in the best interest of efficiency of service, whilst giving regard to workability, affordability, and reasonableness.

This Policy Statement explains how the Council will exercise the discretions available to it under Parts 3 & 4 of the regulations. However, the Council will consider each case individually, and in exceptional circumstances may apply a different discretion (particularly where there is no other option to resolve an issue, which is not of the individual's making).

#### 2 Regulation BCM 12 – Increase of Service (Augmentation of membership) of an active member

The employer may increase the total membership years of an active member or a member up to 6 months following leaving the Council's employment, providing it was on redundancy/efficiency grounds. The maximum award must not exceed 10 years.

##### *POLICY DECISION*

*Bodmin Town Council will not exercise this option, but may consider an except in the following circumstances:*

- *In the case of redundancy or other termination of employment situations where it may prove cost effective;*
- *For the purpose of attracting or retaining key members of staff; or*
- *The Council may consider giving redundant employees the option of converting compensation payments (not the redundancy payment, which is linked to the age and length of service) into pensionable service.*

#### 3 Regulation BCM 13 – Increase of Pension by Employer

The employer may award an additional pension which must not exceed £5,000 a year. This award may be paid in addition to any increase received under Regulation 12 above. The full cost of this must be paid by a one-off payment.

##### *POLICY DECISION*

*Bodmin Town Council will not exercise this discretion in addition to, or as an alternative to augmentation (Regulation BCM 12).*

#### 4 Regulation BCM 18 – Flexible Retirement

The employer may allow a member from the age of 55 to draw all or part of their pension benefits whilst continuing in employment. Providing the member either reduces their hours or moves to a position on a lower grade.

*POLICY DECISION*

*Bodmin Town Council does not agree to allow blanket consent to flexible retirement. All requests will be referred to the Finance, Staffing and Performance Management Committee (FSPM) and assessed on their own merit(s) taking in to account factors such as:*

- *Cost, service delivery and career progression;*
- *Retention of experienced staff;*
- *Assisting with easing down to retirement; and*
- *To help avoid redundancies when facilitating reorganisations/re-structuring.*

**5 Regulation BCM 30 – Early Retirement on Compassionate Grounds**

The employer may allow a member early payment of pension benefits on compassionate grounds, such as;

- Extreme financial hardship
- To provide constant care for an immediate family member

*POLICY DECISION*

*Bodmin Town Council does not agree to allow blanket consent to early retirement on compassionate grounds. All requests will be referred to the Finance, Staffing and Performance Management Committee (FSPM) and assessed on their own merits taking into account factors such as;*

- *Cost, service delivery and career progression*

In addition to this, the employer may waive (either fully or in part) the reduction in the pension benefit, as the benefit would normally be reduced in accordance with the actuarial tables. This would either end up in an immediate cost to the employer or could be taken into account at the next valuation.

*POLICY DECISION*

*Bodmin Town Council will not exercise this discretion.*

**6 Regulation BCM 30 – Early Payment of Retirement Benefits**

In cases of redundancy or efficiency retirement benefits are payable from the age of 55. Under these circumstances the employer is required to cover the additional cost to the pension fund.

For permanent ill health there is no age restriction and no immediate additional employer cost.

However, the employer may allow a member from the age of 55 early payments of pension benefits when the above criterion is not met e.g. voluntary resignation.

*POLICY DECISION*

*Bodmin Town Council does not agree to allow blanket consent to early payment of retirement benefits. All requests will be referred to the Finance, Staffing and Performance Management Committee (FSPM) and assessed on their own merit(s) taking into account factors such as:*

- *Cost, service delivery and career progression*

**7 Regulation Admin 25 – Shared Cost Additional Voluntary Contributions (AVC)**

The employer may pay into an Additional Voluntary Contribution scheme on behalf of an individual (with or without an individual's contribution), which would result in an

immediate charge to the employer.

*POLICY DECISION*

*Bodmin Town Council will not exercise this option, but may consider an except in the following circumstances:*

- *For the purpose of attracting or retaining key members of staff*

**8 Regulation Admin 83 – Transfer of Service into the LGPS**

Employees joining the scheme have 12 months in which to request the transfer of pension benefits from a previous employment. In exchange for a payment the employee is awarded a period of Pensionable service (calculated in accordance with their age and rate of pay).

The employer may extend the 12 month time limit for requests to transfer pension benefits.

*POLICY DECISION*

*Bodmin Town Council will not exercise this discretion.*

**9 Review and Amendment of Regulations**

This policy will be reviewed regularly and amended as necessary based on good practice or evidence taken forward. All revisions must be approved by the Finance, Staffing and Performance Management Committee.

**10 Alternative Formats**

Disability Discrimination Act 1995 - Copies of this document in large print (A3 Format) or larger font size, or recorded onto tape as a 'talking book' can be made available for those with sight impairment on request from the Council Office or by telephoning 01208 74159 or e-mailing [anne.banks@bodmin.gov.uk](mailto:anne.banks@bodmin.gov.uk)

The Council can also arrange to provide versions in other languages.

**11 Freedom of Information**

In accordance with the Freedom of Information Act 2000, this Document will be posted on the Council's Website [www.bodmin.gov.uk](http://www.bodmin.gov.uk)

Responsible Finance Officer  
Bodmin Town Council  
Shire House  
Mount Folly Square  
BODMIN  
PL31 2DQ

Tel 01208 74159  
Fax 01208 264764  
e-mail [anne.banks@bodmin.gov.uk](mailto:anne.banks@bodmin.gov.uk)

**12 Abbreviations**

LGPS – Local government Pension Scheme  
BCM – Local government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007  
Admin – Local Government Pension Scheme (Administration) Regulations 2008