



# **Hayle Town Council**

## **LGPS**

# **Employer Discretion Policy**

Adopted: June 2024  
Next review: June 2027

## **Overview**

Starting April 1, 2014, changes were made to the Local Government Pension Scheme (LGPS) in England and Wales. For service after March 31, 2014, benefits are calculated based on a career average revalued earnings system (CARE), rather than the previous final salary method.

Scheme employers participating in the LGPS in England or Wales must formulate, publish, and keep under review a statement of policy on all mandatory discretions, which they have the power to exercise in relation to existing and former members of the CARE Scheme and earlier schemes.

This Policy Statement explains how the Council will exercise the discretions available to it under 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).

Each employer should always ensure that their discretionary policies are kept up to date by reviewing it every 3 years as recommended by the Cornwall Pension Fund.

## **Objectives**

When the Council sets and reviews these employer discretions, consideration is given to:

- Cost – discretionary powers come with a cost attached - policies must not lead to a loss of confidence in public services, therefore have to be affordable
- Basis on which decisions are made – policies should not be so rigid or restrictive as to prevent flexibility where an unanticipated situation requires it
- Equality – criteria that do not discriminate and where decisions are objectively justified.

## **Mandatory discretions**

By virtue of regulation 60 of the LGPS Regulations 2013 and paragraph 2(2) of schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 Scheme employers must prepare and publish a written policy in relation to five specific mandatory discretions.

### **1. Mandatory discretion – ADDITIONAL PENSION**

#### **Regulation Reference R16(2)(e) and R16(4)(d)**

Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.

#### **POLICY DECISION**

Hayle Town Council does not intend to exercise this decision.

### **Regulation Reference R31**

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.

POLICY DECISION

Hayle Town Council does not intend to exercise this decision.

### **2. Mandatory discretion - WAIVING ACTUARIAL REDUCTIONS**

#### **Regulation Reference R30(8)**

Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.

POLICY DECISION

Hayle Town Council does not intend to exercise this decision.

#### **Regulation Reference TPSch 2, para 2(1)**

Whether to waive, in full, any actuarial reduction on pre and/or post April 2014 benefits paid early on compassionate grounds.

POLICY DECISION

Hayle Town Council does not intend to exercise this decision.

### **3. Mandatory discretion – SWITCHING ON RULE OF 85 BEFORE 60**

#### **Regulation Reference TPSch 2, para 1(2) and 2(2)**

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

POLICY DECISION

Hayle Town Council does not intend to exercise this decision.

### **4. Mandatory discretion – FLEXIBLE RETIREMENT**

#### **Regulation Reference R30(6) and TP11(2)**

Whether all or some benefits can be paid if an employee over 55 reduces their hours or grade (flexible retirement).

## POLICY DECISION

The council would not normally consider this but, in exceptional cases may consider based on its circumstances and merits and subject to Council approval.

### **5. Mandatory discretion – PRE-2008 DISCRETIONS ONLY**

#### **Regulation Reference 31(7A)**

Optants out only to get benefits paid from NRD if employer agrees.

## POLICY DECISION

The council would not normally consider this but, in exceptional cases may consider based on its circumstances and merits and subject to Council approval.

#### **Regulation Reference TP3(5A) (vi), para TL4, L106(1) and D11(2) (c)**

Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds.

## POLICY DECISION

The council would not normally consider this but, in exceptional cases may consider based on its circumstances and merits and subject to Council approval.

If you have any questions, please contact:

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Abbreviations:

LGPS – Local Government Pension Scheme

