HOLYWELL TOWN COUNCIL

LGPS CLWYD PENSION FUND POLICIES

Local Government Pension Scheme Regulations 2013

Discretionary policies from 1 April 2014 in relation to post 31 March 2014 active members (excluding councillor members) and post 31 March 2014 leavers (excluding councillor members).

Employer Discretion	Regulation	Recommendation
To whom to offer membership of the LGPS (designation bodies).	2(1B)(a) & Schedule 2, Part 2	All members eligible to join.
Which employees to designate for membership (admission bodies).	2(1C), 3(1)(b) & 4(2)(b)	All members eligible to join.
Whether, in respect of an admission body providing a service in respect of outsourced work, to set off against payments due to that body any sums due from that body to the Fund.	Schedule 2, Part 3, Paragraph 12(c)	Take appropriate action in light of circumstances relating to each case.
Determine rate of employees' contributions.	9(1) & 9(3)	Apply this discretion.
MANDATORY WRITTEN POLICY. Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.	16(2)(e)* & 16(4)(d)*	Not to apply this discretion.
Whether to extend 30 day deadline for 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).	16(16)	Extensions ONLY in exceptional circumstances.
Whether, how much, and in what circumstances to contribute to shared cost AVC arrangements.	17(1) &	Not to apply this discretion.

	Definition of SCAVC in Schedule 1	
No right to return of contributions where a member left their employment due to offence of a fraudulent character or grave misconduct in connection with that employment, unless employer directs a total or partial refund is to be made.	19(2)	Take appropriate action in light of circumstances relating to each case.
Specify in an employee's contract what other payments or benefits, other than those specified under Regulation 20(1)(a) and not otherwise precluded by Regulation 20(2), are to be pensionable.	20(1)(b)	Apply this discretion.
In determining Assumed Pensionable Pay (APP), whether a lump sum payment made in the previous 12 months is a "regular lump sum".	21(5)	Apply this discretion.
Where in the Employer's opinion, the pensionable pay received in relation to an employment (adjusted to reflect any lump sum payments) in the 3 months (or 12 weeks if not paid monthly) preceding the commencement of Assumed Pensionable Pay (APP), is materially lower than the level of pensionable pay the member would have normally received, decide whether to substitute a higher level of pensionable pay having had regard to the level of pensionable pay received by the member in the previous 12 months.	21(5A) & 21(5B)	Apply this discretion in appropriate circumstances.
Whether to extend the 12 month option period for a member to elect that post 31 March 2014 deferred benefits should not be aggregated with a new employment.	22(8)(b)	Extensions ONLY in exceptional circumstances.
Whether to extend the 12 month option period for a member to elect that post 31 March 2014 deferred benefits should not be aggregated with an ongoing concurrent employment	22(7)(b)	Extensions ONLY in exceptional circumstances.

<u>MANDATORY WRITTEN POLICY.</u> Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).	30(6)*	Consider all applications taking into account all financial and service delivery issues.
<u>MANDATORY WRITTEN POLICY.</u> Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.	30(8)*	Consider all applications taking into account all financial and service delivery issues.
<u>MANDATORY WRITTEN POLICY.</u> Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member only has post 31 March 2014 membership).	30(8)*	Consider all applications taking into account all financial and service delivery issues.
<u>MANDATORY WRITTEN POLICY.</u> Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a. on 1 April 2014 - this figure is inflation proofed annually).	31*	Not to apply this discretion.
Determine whether person in receipt of Tier 3 ill health pension has started gainful employment.	37(3) & (4)	Apply this discretion based on Medical Certification from Pension Fund Doctor.
Whether to recover any overpaid Tier 3 pension following commencement of gainful employment.	37(3)	Recover in appropriate circumstances.
Decide whether deferred beneficiary meets criteria of being permanently incapable of former job because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years, whichever is the sooner.	38(3)	Apply this discretion based on Medical Certification from Pension Fund Doctor.

Decide whether a suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health.	38(6)	Apply this discretion based on Medical Certification from Pension Fund Doctor.

Discretionary policies in relation to active Welsh councillor members, councillor members who ceased active membership on or after 01/04/1998, and any other scheme members who ceased active membership on or after 01/04/1998 and before 01/04/2008

MANDATORY WRITTEN POLICY. Whether to "switch on" the 85 year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, para 1(2) & 1(1)(f) & R60	Consider all applications taking into account all financial and service delivery issues.

Discretionary policies from 1 April 2014 in relation to post 31 March 2014 active members (excluding councillor members) and post 31 March 2014 leavers (excluding councillor members).

Whether to apply to Secretary of State for a forfeiture certificate where member is convicted of a relevant offence (a relevant offence is an offence committed in connection with an employment in which the person convicted is a member, and because of which the member left the employment).	91(1) & (8)	Take appropriate action in light of circumstances relating to each case.

Where forfeiture certificate is issued, whether to direct that benefits are to be forfeited (other than rights to GMP – but see Regulation 95 below).	91(4)	Take appropriate action in light of circumstances relating to each case.
Where forfeiture certificate is issued, whether to direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits.	92(1) & (2)	Take appropriate action in light of circumstances relating to each case.
Whether to recover from Fund any monetary obligation or, if less, the value of the member's benefits (other than benefits from transferred in pension rights or APCs or AVCs or, subject to Regulation 95 below, in respect of any GMP) where the obligation was incurred as a result of a grave misconduct or a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment.	93(2)	Take appropriate action in light of circumstances relating to each case.
Whether, if the member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts, forfeiture under Regulation 91 or recovery of a monetary obligation under Regulation 93 should deprive the member or the member's surviving spouse or civil partner of any GMP entitlement.	95	Take appropriate action in light of circumstances relating to each case.
Agree to bulk transfer payment.	98(1)(b)	Apply in appropriate circumstances.
Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.	100(6)	Extensions ONLY in exceptional circumstances.

* These are matters about which the regulations require there must be a written policy.

Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014

Discretionary policies from 1 April 2014 in relation to post 31 March 2014 active members (excluding councillor members) and post 31 March 2014 leavers (excluding councillor members).

Employer Discretion	Regulation	Policy
Issue a certificate of protection of pension benefits where member fails to apply for one (pay cuts / restrictions occurring pre 1 April 2008).	3(1)(a)	Apply this discretion in appropriate circumstances.
Whether to extend the 12 month option period for a member (who did not become a member of the 2014 Scheme by virtue of Regulation 5(1)) to elect that pre 1 April 2014 deferred benefits should be aggregated with a new employment.	10(6)	Extensions ONLY in exceptional circumstances.
Allow late application to convert scheme AVCs into membership credit i.e. allow application more than 30 days after cessation of active membership (where AVC arrangement was entered into before 13/11/01).	15(2A)(b)	Application must be made within 3 months of termination.
MANDATORY WRITTEN POLICY. Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).	11(2)*	Consider all applications taking into account all financial and service delivery issues.
MANDATORY WRITTEN POLICY. Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (other than on the grounds of flexible retirement).	Schedule 2, paragraph 1(2) and 1(1)(c)*	Consider all applications taking into account all financial and service delivery issues.
MANDATORY WRITTEN POLICY. Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	Schedule 2, paragraph 1(2) and 1(1)(c)*	Consider all applications taking into account all financial and service delivery issues.

<u>MANDATORY WRITTEN POLICY.</u> Whether to "switch on" the 85 year rule for a pensioner member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.	Schedule 2, paragraph 1(2) and 1(1)(c)*	Consider all applications taking into account all financial and service delivery issues.
<u>MANDATORY WRITTEN POLICY.</u> Whether to "switch on" the 85 year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.	Schedule 2, paragraph 1(2) and 1(1)(f)*	Consider all applications taking into account all financial and service delivery issues.
<u>MANDATORY WRITTEN POLICY.</u> Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1 April 2014 and post 31 March 2014 membership): a) on compassionate grounds (pre 1 April 2014 membership) and in whole or in part on any grounds (post 31 March 2014 membership) if the member was not in the Scheme before 1 October 2006, b) on compassionate grounds (pre 1 April 2014 membership) and in whole or in part on any grounds (post 31 March 2014 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will not attain 60 between 1 April 2016 and 31 March 2020 inclusive, c) on compassionate grounds (pre 1 April 2016 membership) and in whole or in part on any grounds (post 31 March 2016 membership) if the member was in the Scheme before 1 October 2006 and will be 60 by 31 March 2016, d) on compassionate grounds (pre 1 April 2020 membership) and in whole or in part on any grounds (post 31 March 2020 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will attain 60 between 1 April 2016 and 31 March 2020 inclusive.	TP3(1), TPSch 2, para (2)1, B30(5) & B30A(5)	Consider all applications taking into account all financial and service delivery issues.

MANDATORY WRITTEN POLICY. Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under Regulation 30 of the Benefits, Membership & Contributions Regulations 2007 (member).	Schedule 2, paragraph 2(1)*	Consider all applications taking into account all financial and service delivery issues.
MANDATORY WRITTEN POLICY. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under Regulation 30A Benefits, Membership & Contributions Regulations 2007 (pensioner member with deferred benefits).	Schedule 2, paragraph 2(1)*	Consider all applications taking into account all financial and service delivery issues.
MANDATORY WRITTEN POLICY. Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early.	Schedule 2, paragraph 2(1)*	Consider all applications taking into account all financial and service delivery issues.
Whether to use a certificate produced by an IRMP under the 2008 Scheme for the purposes of making an ill health determination under the 2014 Scheme.	12(6)	Apply this discretion.
Whether to allow a member to select final pay period for fees to be any 3 consecutive years ending 31st March in the 10 years prior to leaving.	3(6), 4(6)(c), 8(4), 10(2)(a), 17(2)(b)	Apply this discretion in appropriate circumstances.

* These are matters about which the regulations require there must be a written policy.

Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007

Discretionary policies in relation to scheme members (excluding councillor members) who ceased active membership on or after 1 April 2008 and before 1 April 2014.

Employer Discretion	Regulation	Policy
Whether to allow a member to select final pay period for fees to be any 3 consecutive years ending 31st March in the 10 years prior to leaving.	11(2)	Apply this discretion in appropriate circumstances.
MANDATORY WRITTEN POLICY. Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under Regulation 30 (member).	B30(5), TPSch 2, para 2(1)	Consider all applications taking into account all financial and service delivery issues.
MANDATORY WRITTEN POLICY. Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1 April 2014 and post 31 March 2014 membership): a) on compassionate grounds (pre 1 April 2014 membership) and in whole or in part on any grounds (post 31 March 2014 membership) if the member was not in the Scheme before 1 October 2006, b) on compassionate grounds (pre 1 April 2014 membership) and in whole or in part on any grounds (post 31 March 2014 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will not attain 60 between 1 April 2016 and 31 March 2020 inclusive, c) on compassionate grounds (pre 1 April 2016 membership) and in whole or in part on any grounds (post 31 March 2016 membership) if the member was in the Scheme before 1 October 2006 and will be 60 by 31 March 2016,	30(5)* & 30A(5)*	Consider all applications taking into account all financial and service delivery issues.

d) on compassionate grounds (pre 1 April 2020 membership) and in whole or in part on any grounds (post 31 March 2020 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will attain 60 between 1 April 2016 and 31 March 2020 inclusive.		
MANDATORY WRITTEN POLICY. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under Regulation 30A (pensioner member with deferred benefits).	30A(5)*	Consider all applications taking into account all financial and service delivery issues.
Decide whether deferred beneficiary meets permanent ill health and reduced likelihood of gainful employment criteria.	31(4)	Apply this discretion based on Medical Certification from Pension Fund Doctor.
Decide whether a suspended ill health tier 3 member is permanently incapable of undertaking any gainful employment.	31(7)	Apply this discretion based on Medical Certification from Pension Fund Doctor.

* These are matters about which the regulations require there must be a written policy.

Local Government Pension Scheme (Administration) Regulations 2008

Discretionary policies in relation to scheme members (excluding councillor members) who ceased active membership on or after 1 April 2008 and before 1 April 2014.

Employer Discretion	Regulation	Policy
No right to return of contributions where member left their employment due to offence of a fraudulent character or grave misconduct in connection with that employment, unless employer directs a total or partial refund is to be made.	47(2)	Take appropriate action in light of circumstances relating to each case.
Contribution Equivalent Premium (CEP) in excess of the Certified Amount (CA) recovered from a refund of contributions can be recovered from the Pension Fund.	49(1) & (2)	Not to apply this discretion.
Whether to apply to Secretary of State for a forfeiture certificate where member is convicted of a relevant offence (a relevant offence is an offence committed in connection with an employment in which the person convicted is a member, and because of which the member left the employment).	72(1) & (6)	Take appropriate action in light of circumstances relating to each case.
Where forfeiture certificate is issued, whether to direct that benefits are to be forfeited.	72(3)	Take appropriate action in light of circumstances relating to each case.
Where forfeiture certificate is issued, whether to direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits.	73(1) & (2)	Take appropriate action in light of circumstances relating to each case.

Whether to recover from Fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs/SCAVCs) where the obligation was incurred as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment.	74(2)	Take appropriate action in light of circumstances relating to each case.
Whether to recover from Fund any financial loss caused by fraudulent offence or grave misconduct of employee (who has left employment because of that fraudulent offence or grave misconduct), or amount of refund if less.	76(2) & (3)	Take appropriate action in light of circumstances relating to each case.

Local Government Pension Scheme (Transitional Provisions) Regulations 2008

Discretionary policies in relation to scheme members (excluding councillor members) who ceased active membership on or after 1 April 2008 and before 1 April 2014.

Employer Discretion	Regulation	Policy
Allow late application to convert scheme AVCs into membership credit i.e. allow application more than 30 days after cessation of active membership.	Schedule 1	Application must be made within 3 months of termination.
Issue a certificate of protection of pension benefits where member fails to apply for one (pay cuts / restrictions occurring pre 1 April 2008).	Schedule 1	Apply this discretion in appropriate circumstances.

Local Government Pension Scheme Regulations 1997 (as amended)

Discretionary policies in relation to active welsh councillor members, councillor members who ceased active membership on or after 1 April 1998, and any other scheme members who ceased active membership on or after 1 April 1998 and before 1 April 2008.

Employer Discretion	Regulation	Policy
Allow a councillor who has opted out more than once to re-join.	7(9)(a)	N/A
Allow a late application by a councillor member to pay optional contributions for a period of absence.	18(6) & (7)	N/A
Issue a certificate of protection of pension benefits where fails to apply for one (pay cuts / restrictions occurring pre 1 April 2008).	23(4)	Apply in appropriate circumstances.
MANDATORY WRITTEN POLICY. Grant application for early payment of deferred benefits on or after age 50 and before age 55.	31(2)*	Consider all Applications.
MANDATORY WRITTEN POLICY. Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early.	31(5)*	Consider all Applications.
MANDATORY WRITTEN POLICY. Optants out only to get benefits paid from NRD if employer agrees.	31(7A)*	N/A
Whether to extend 12 month period for aggregation of deferred benefits (where deferred councillor member wishes to aggregate with current councillor membership in the same Fund).	32(8A)	N/A
Decide, in the absence of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership.	34(1)(b)	Employer to choose which benefits are payable if the member doesn't do so within 3 months.

Allow late application to convert scheme AVCs into membership credit i.e. allow application more than 30 days after cessation of active membership (where AVC arrangement was entered into before 13 November 2001).	66(8) & former 66(9)(b)	Application must be made within 3 months of termination.
Consent to a member's former employer assigning to the new employer rights under any SCAVC life assurance policy.	71(7)(a)	Not to apply this discretion.
No right to return of contributions where a member left their employment due to offence of a fraudulent character or grave misconduct in connection with that employment, unless employer directs a total or partial refund is to be made.	88(2)	Take appropriate action in light of circumstances relating to each case.
Employer may deduct contributions from a councillor's pay or reserve forces pay.	89(1) & (2)	N/A
Contribution Equivalent Premium (CEP) in excess of the Certified Amount (CA) recovered from a refund of contributions can be recovered from the Pension Fund.	92	Take appropriate action in light of circumstances relating to each case.
MANDATORY WRITTEN POLICY. Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds.	106(1)*	Consider all Applications.
Forfeiture of pension rights on issue of Secretary of State's certificate following a relevant offence (a relevant offence is an offence committed in connection with an employment in which the person convicted is a member, and because of which the member left the employment).	111(2) & (5)	Take appropriate action in light of circumstances relating to each case.

Where forfeiture certificate is issued, direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits.	112(1)	Take appropriate action in light of circumstances relating to each case.
Recovery from Fund of monetary obligation owed by former employee or, if less, the value of the member’s benefits (other than transferred in pension rights).	113(2)	Take appropriate action in light of circumstances relating to each case.
Recovery from Fund of financial loss caused by employee, or amount of refund if less.	115(2) & (3)	Take appropriate action in light of circumstances relating to each case.

*These are matters about which the regulations require there must be a written policy.

Note: Benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. Also, any part of the benefits which had accrued after 5 April 2006 would generate a scheme sanction charge.

Local Government Pension Scheme (Transitional Provisions) Regulations 1997

Discretionary policies in relation to scheme members who ceased active membership before 1 April 1998.

Employer Discretion	Regulation	Policy
MANDATORY WRITTEN POLICY. Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds.	4*	Consider all Applications.

Local Government Pension Scheme Regulations 1995 (as amended)

Discretionary policies in relation to scheme members who ceased active membership before 1 April 1998.

Employer Discretion	Regulation	Policy
MANDATORY WRITTEN POLICY. Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds.	11(2)(c)*	Consider all Applications.
Decide, in the absence of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership.	10	Holywell Town Council to choose which benefits are payable if the member doesn't do so within 3 months.

Note: Benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. However, as the benefits had accrued prior to 6 April 2006, they would not generate a scheme sanction charge.