

REPORT TO: Executive Board

DATE: 12 March 2015

REPORTING OFFICER: Strategic Director, Policy and Resources

PORTFOLIO: Resources

SUBJECT: Pensions Discretions Policy

WARDS: N/A

1.0 PURPOSE OF THE REPORT

The Council approved a written policy statement on the discretions it intends to exercise under the Local Government Pension Scheme (LPGS) in July 2014.

This report sets out proposed amendments to that statement and recommends that the amended Pensions Discretions Statement, once approved, be adopted as the Pensions Discretions Statement for 2015/16.

2.0 RECOMMENDATION: That

- 1) the Board approve the amended Pensions Discretions Statement for 2014/15 and that this Statement is then adopted for 2015/16; and**
- 2) those discretions be exercised by the appropriate Strategic Director, in consultation with the Portfolio Holder for Resources and Operational Director Financial Services. (In the case of applications from Strategic Directors/Chief Executive, replace appropriate Strategic Director with Chief Executive/Strategic Director, Policy and Resources respectively.)**

3.0 BACKGROUND INFORMATION

- 3.1 The Councils Pensions Discretions Statement was approved in July 2014. Since then, the Appointments Committee approved changes to the Councils Staffing Protocol, specifically in relation to the ability to augment (give added years) an employee's pensionable service on early retirement.
- 3.2 The Local Government Pension Scheme changes introduced in April 2014, removed this ability as pensions are no longer calculated on service but on career average earnings. As an alternative, it is possible to give additional pension contributions (APC's) up to £6,500 per year (April 2014 figure). However, due to cost, it was agreed that no

employer funded APC be given. This statement has been amended to reflect this.

3.3 In addition, a new discretion is needed on the position of a Shared Cost APC (SCAPC) whereby the employer can contribute a proportion of funding towards the purchase of additional pension. It is recommended that the only circumstances in which the Council do this is where employees choose to purchase pension lost as a result of the four days unpaid leave (usually taken as part of the Christmas closure) and in such circumstances, the employer will contribute 2/3rds and the employee will contribute 1/3. This figure is set in the pensions regulations.

3.4 As it is a requirement that the Council review the Pensions Discretions Statement on an annual basis, it is recommended that this amended Statement be approved for 2015/16.

4.0 POLICY IMPLICATIONS

4.1 The Council is required to publish a written policy statement on how it will exercise its discretions provided by the scheme. The policies adopted seek to achieve the correct balance between cost to the council tax payer, good employee relations and staff recruitment and retention

5.0 OTHER IMPLICATIONS

5.1 There are financial implications for the Council in considering the application of these discretions. Each case will be different. The proposed policy changes state that a business case will be required when such a discretion is exercised balancing the interests of the Council with the interests of the individual. It is proposed that any exercise of that discretion should be done in consultation with the Resources Portfolio Holder and the Operational Director Financial Services.

6.0 RISK ANALYSIS

6.1 This report and recommended changes ensure that the Council complies with the Local Government Pension Scheme Regulations 2013.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 The recommendations will apply equally to all staff who are members of the LGPS. Employees have a right of appeal if they feel they have been treated incorrectly/unfairly.

8.0 BACKGROUND PAPERS UNDE SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.