



CABINET

3RD JULY 2014

AGENDA ITEM (7)

PENSION DISCRETIONARY POLICY

Accountable Member	Councillor John Burgess Cabinet Member for Leisure and Support Services
Accountable Officer	Frank Wilson Strategic Director for Corporate Services 01285 623402 frank.wilson@cotswold.gov.uk

Purpose of Report	In accordance with Regulation 60 of the Local Government Pension Scheme Regulations 2013, the Council must prepare, publish and keep under review a written statement of its policy in relation to the exercise of its functions under Regulations.
Recommendation(s)	That, subject to any comments from the Joint Consultative Committee, the revised Pension Discretionary Policy be approved and forwarded to Gloucestershire County Council's Pension Section.
Reason(s) for Recommendation(s)	The policy is a statutory requirement under the Local Government Pension Scheme Regulations 2013. Adopting this policy in its current format will comply with the requirement.

Ward(s) Affected	None
Key Decision	No
Recommendation to Council	No

Financial Implications	The financial implications of any application of the discretionary policies will be considered as part of a business case and will be subject to the Council's appropriate decision making processes.
Legal and Human Rights Implications	<p>In preparing, or reviewing and making revisions to its statement, a Scheme employer must have regard to the extent to which the exercise of its discretionary functions could lead to a serious loss of confidence in the public service.</p> <p>A Scheme employer will be required to sign a declaration stating that their policies will not be used for any ulterior motive, will be exercised reasonably, will only be used when there is a real and substantial future benefit to the employer for incurring the extra costs that may arise and will be duly recorded when applied.</p>

Environmental and Sustainability Implications	None
Human Resource Implications	Key Council decisions that involve staff will make use of the policy when considering staffing costs, retention, retirement and flexible retirement.
Key Risks	None
Equalities Analysis	No effect on protected groups identified

Related Decisions	None
Background Documents	None
Appendices	Appendix 'A' - Pension Discretionary Policy

Performance Management Follow Up	<p>Send a copy of the adopted policy statement to the Gloucestershire County Council Pensions Department and publish it</p> <p>Keep the policy statement under review and make revisions to it as appropriate following any change in policy</p>
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Background Information

1. The Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 came into force on 1 April 2014.
2. In accordance with Regulation 60 of the Local Government Pension Scheme Regulations 2013, the Council must prepare a written statement of its policy in relation to the exercise of its functions under Regulations (Sections 1-5 of the policy):
 - 16(2)(e) and 16(4)(d) - Funding of Additional Pension;
 - 30(6) - Flexible Retirement;
 - 30(8) - Waiving of Actuarial Reduction;
 - 31 - Award of Additional Pension.
3. In addition, and in accordance with Paragraphs 2(2) of Schedule 2 to the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014, the Council has also prepared a written statement on whether, in respect of benefits relating to pre 1st April 2014 membership, to 'switch on' the 85 year rule for a member who voluntarily retires (leaves employment) and elects to draw their benefits on or after the age of 55 and before the age of 60, thereby agreeing to waive in full or part any actuarial reduction applied to the member's benefits.
4. There are also some recommended policy statements required in respect of administrative issues but including a statement on whether to contribute to AVCs (Sections 6-10 of the policy).
5. Sections 11-14 of the policy include required statements of policy on deferred pensioners, where employees have left the Council's employment but are now seeking early release of pension entitlements.
6. The policy statement recommended for adoption seeks to set out a position where the Council generally does not exercise any of the discretions open to it unless there is a business case to support those discretions (i.e. it is in the financial or business interests of the Council so to do). This will allow the Council to make case by case decisions based upon business need.

7. This approach is in line with the current discretions operated under the previous pensions regulations and therefore this report, in the main restates, the Councils previous position.

8. The Councils existing policies with regard to early and flexible retirement are complementary to the proposed pension discretions and set out the appropriate business case requirements and approval processes.

9. This report will be considered by the Joint Consultative Committee at its Meeting on 26th June 2014. The views of that Committee will be reported to the Cabinet at its Meeting.

(END)