

HAVANT BOROUGH COUNCIL

Pensions Policy Statement

The Local Government Pension Scheme Regulations 2013

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

Introduction

Under the above regulations which came into force on 1 April 2014, each employer must publish and keep under review a Statement of Policy on certain discretions contained in the Regulations.

This Statement of Policy is applicable to all employees of Havant Borough Council who are eligible to be members of the Local Government Pension Scheme. This policy will be reviewed periodically and if the council decides to change its policy, it will publish a statement of the amended policy within one month of the date of its decision.

The Council will exercise its discretionary powers as set out below:

1. For members who continue in the LGPS at 1 April 2014, or join it from 1 April 2014

Regulation 16 (2e) (4d) Shared cost additional pension contributions

The Council will only contribute to the cost of a member's additional pension contributions where required to do so under the LGPS Regulations. Where a member is voluntarily making additional pension contributions, the Council will not consider meeting any part of that cost.

Regulation 30 (6) Power to allow flexible retirement

The Council will consider all written requests for flexible retirement and will only approve a request when it is in the Council's interests to do so. Consent to pension benefits being paid, in line with age eligibility, may be approved provided the employee's remuneration is permanently reducing by at least 40 per cent through a reduction in hours or grade. Consideration will be given to the requirements of the service and any early retirement charge which is payable to the Pension Fund being considered affordable in each case.

In exceptional circumstances the Council may consider waiving the member's early payment reduction and this must be agreed by an Executive Head or the Chief Executive.

Regulation 30 (8) Waiving of actuarial reductions

As a rule, the Council will not waive actuarial reductions applicable to an employee who retires voluntarily between 55 and Normal Pension Age. Any exceptional cases supported by a business case to be determined by Management Team. HBC will not consent to ex-employees taking deferred benefits unless there is no cost to the council.

Regulation 31 Power to award additional pension

As a rule, the Council will not award additional pension or membership. Any exceptional cases supported by a business case are to be determined by Management Team. However, if employees are retired in the interests of efficiency, the Chief Executive or an Executive Head will consider buying additional pension in the LGPS using an amount no greater than the payment that would have been received had an employee been made redundant. There may be tax implications associated with this.

Other – Augmentation of redundancy payments

The part of an employee's redundancy payment that relates to earnings in excess of the statutory maximum can be used to buy additional service in the Local Government Pension Scheme. This option is only open to employees if they request it before employment ceases. Employees should note that there may be tax implications.²

2. For those who stopped contributing to the LGPS between 1 April 2008 and 31 March 2014:**LGPS Regulations 2014 (Transitional provisions, savings and amendments - paragraph 2 (2) of schedule 2) - Switching on the 85-year rule**

As a rule, the Council will not switch on the 85-year rule. Any exceptional cases supported by a business case to be determined by Management Team.

Regulation B30 (2) (5), B30A (3)(5) Post - 31 March 2008 / pre - 1 April 2014 leavers early payment of pension

As a rule, the Council will not switch on the 85-year rule. Any exceptional cases supported by a business case to be determined by Management Team.

Set out below are details of Havant Borough Council current Optional policies**17 (1). To operate a shared cost Additional Voluntary Contribution (AVC) Scheme.**

The Council will be offering a Shared Cost AVC scheme, subject to agreement by the Human Resources Committee and will pay shared cost AVCs where an employee has elected to pay AVCs by salary sacrifice. The amount of these employer shared cost AVCs will not exceed the amount of salary sacrificed by the employee. This discretion is subject to the employee meeting the conditions for acceptance into the salary sacrifice shared cost AVC scheme and may be withdrawn or changed at any time.

32. The 12-month time limit for transferring pension rights (deferred benefits) from a previous LGPS fund or employer may be extended (but only where there has not been an option to transfer with a previous LGPS employer).

With the exception of any current employee who took a preserved benefit when they received an enforced reduction in pensionable remuneration, the Council will only accept elections to combine pension rights from previous local government employment with a current period of membership, which are made within 12 months of re-joining the scheme.