

Agenda Item No:	6	
Committee:	Staff Committee	
Date:	3 November 2014	
Report Title:	Flexible & Early Retirement, Pension Discretions	

Cover sheet:

1 Purpose / Summary

- 1.1 The purpose of this report is to inform and make recommendation for the adoption of an integrated Fenland District Council policy on flexible and early retirement, with the inclusion of the Council's approach to all pension discretions.
- 1.2 The pension discretions are to be exercised under the Local Government Pension Scheme (LGPS) Regulations from 1 April 2014 in relations to member of the Career Average Revalued Earnings (CARE) Scheme.

2 Key issues

- The Council has a comprehensive framework of people policies in place. These policies are reviewed in accordance with an ongoing programme of reviews.
- As an employer, the Council is required to ensure retirement requests are dealt with consistently across the organisation. The Council has an existing Early Retirement Policy, but has identified the need for a policy covering Flexible Retirement.
- Due to current economic climate, the policy also supports the options for employees to partially reduce hours, potentially creating future saving opportunities.
- As part of the ongoing process of improvement and streamlining of our services, these two policies have been combined into one.
- In addition to the above, pensions discretions now required to be provided to the LGPS in form of a written statement from each employer authority.
- The main purpose of the discretions is that it is Fenland District Council's decision on which benefits to release for payment, this can be a combination of at least pre April 2008 and/or April 2008 - March 2014, April 2014.
- This new policy provides new guidance for both managers and employees.
- All changes considered and approved as part of this Flexible Retirement policy are to be made purely on a business need and on a case by case basis.
- A comprehensive consultation process has also been undertaken on this revised policy with CMT and also with the Staff Side group, who have endorsed the changes.
- This policy is now being recommended for formal adoption and communication to staff.

3 Recommendations

- Members are asked to approve the recommended policy and discretions statement to be exercised under the LGPS Regulations in relation to active Scheme members and members who cease active membership after 31 March 2014 as set out in Appendix A and B.

Wards Affected	All
Forward Plan Reference	N/A
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Background Paper(s)	LGPS Regulations 2013 and LGPS Regulations 2014.

1 Background / introduction

- 1.1 The Council has a comprehensive framework of people policies in place, which are reviewed and updated in accordance with an ongoing programme of reviews, and/or in line with legislative changes.
- 1.2 As an employer, the Council is required to ensure retirement requests are dealt with consistently across the organisation. The Council has an existing Early Retirement Policy, but has identified the need for a policy covering Flexible Retirement, which, due to the current economic climate, also supports the options for employees to partially reduce hours, potentially creating future saving opportunities, whilst retaining valuable knowledge, skills and experience.
- 1.3 As part of the ongoing process of improvement and streamlining of our services, these two policies have been combined into one new policy.
- 1.4 The draft policy is attached to this report. The key elements to the policy are:
 - Eligibility criteria
 - Cost implications
 - Application Procedure

- Consideration by line manager and timescales
- Right of appeal
- Reduction in hours
- Associated roles
- Further requests
- Early retirement criteria and options
- Application process
- Pension discretions

1.5 In addition to the above, pensions discretions now required to be provided to the LGPS in form of a written statement from each employer authority. The main purpose of these discretions is to enable Fenland District Council to decide on which pension benefits to release for payment, this can be a combination of at least pre April 2008 and/or April 2008 - March 2014, April 2014.

1.1 As an Employer authority, the Council has operated under the provisions of:

- The Local Government Pension Scheme Regulations (LGPS) 1997, and
- The Local Government (Early Termination of Employment) (Discretionary Compensation) England and Wales Regulations 2000.

1.2 In March 2011, the Independent Public Service Pensions Commission, chaired by Lord Hutton, published its final report of the review of public service pensions. The report made clear that change is needed to 'make public service pension schemes simpler and more transparent, fairer to those of low and moderate earnings'.

1.3 Following discussions between Government and Trades Unions and submissions from the Local Government Association it was decided that the LGPS should be reformed so that, from 1 April 2014, benefits accrue on a Career Average Revalued Earnings (CARE) basis rather than on a final salary basis.

1.4 The provision of the CARE scheme, together with protections for members' accrued pre 1 April 2014 final salary rights, are contained in the LGPS Regulations 2013 and LGPS Regulations 2014.

1.5 As a result of the above, Fenland District Council is required to prepare and publish a written statement of policy on certain discretions under the LGPS which Fenland District Council has the power to exercise on and from 1 April 2014 in relation to members of the CARE Scheme. This statement has been included with the appendices of this new policy.

2 (Consultation) Considerations

2.1 When Fenland District Council intends to adopt new, or change existing, discretionary policies it should give notice to the recognised union (UNISON) via the Staff Side group. It was considered appropriate to give advance notification to UNISON that this report would be considered by Staff Committee.

2.2 A comprehensive consultation process has also been undertaken on this revised policy with CMT and also with the Staff Side group, who have endorsed the changes. Comments from Staff Side and UNISON have been considered and incorporated where appropriate to do so.

3 (Effective date of policies) Effect on corporate objectives

- 3.1 Any new policy on retirement and discretions to be exercised under the LGPS Regulations from 1 April 2014 will take immediate effect from the date members agree it.

4 Conclusions

- 4.1 The recommendations contained within this report, if approved, will form Fenland District Council's policies on retirement, pension and compensation discretions. It should be noted that:
- The policies will not change any contractual rights.
 - Fenland District Council will retain the right to change the policies at any time without prior notice or consultation although will endeavour to discuss any changes with the Staff Side group.
 - Only the policy which is current at the time a relevant event occurs to an employee/scheme member will be the one applied to that employee/member.

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<p>Date Agreed With UNISON:</p>	<p>Date of Effect: DRAFT</p>

1.0 Introduction

Fenland District Council is committed to providing choice and flexibility to employees making the transition from working life to retirement. In compliance with the Local Government Pension Scheme (LGPS) regulations, we offer employees the right to request early or flexible retirement. This policy explains what is meant by the term early/flexible retirement and outlines the Council's procedure for dealing with retirement requests.

Any previous decisions based on custom and practice will have no relevance to this policy.

1.1 Scope

The LGPS Regulations provide an employee with the right to request flexible retirement, not the right to take flexible retirement. Approval must be given by the relevant Head of Service and Corporate Director.

1.2 Benefits of Policy

There are a number of advantages to a more flexible approach to retirement including the following:

- passing on skills and knowledge - flexible retirement can be coupled with job sharing
- improved retention
- providing development opportunities for other employees, as older colleagues reduce their hours or responsibility level
- preventing knowledge gaps
- act as an effective means to realign staffing requirements and increase opportunity for succession
- retaining expertise and know-how
- reducing capacity without some of the disadvantages associated
- retaining age balance and improving age diversity
- flexibility and productivity associated with part-time working.


2.0 Who can apply for flexible retirement

An employee aged 55 or over can apply for flexible retirement where he/she has 3 or more months' membership of the LGPS.

An employee must also meet the following qualifying conditions:

- have at least 2 years' continuous service with the Council; and
- have been working in his/her existing post at the current grade and hours continuously for at least 12 months; and
- must be proposing one of the flexible retirement options (see below).

Where an employee is not a member of the LGPS and is consequently unable to draw pension benefits, this policy will not apply. Employees in this position should refer to the Council's code of practice on flexible working.

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2.1 Where an employee meets the above criteria they can propose one (or both) of the options below:

- a) to take a reduction in hours (must be at least 40% reductions)
- OR**
- b) to move to an associated role* with a substantial downgrading of duties, responsibility and band.

*an associated role is defined as a lower banded role within the same team or service. The lower graded role must be at least 1 grade lower than the employee's substantive post.

2.2 The total monthly income from the pension and reduced pay should not exceed the old monthly income prior to flexible retirement. An employee will be required to take a greater reduction in hours or grade if the pension estimate that is obtained from LGSS indicates that the employee's pension benefits PLUS the reduced salary exceed his/her current salary.

3.0 Meeting the Cost of Flexible Retirement

When an employee is granted early payment of pension benefits, there may be costs to the pension fund for early payment of pension, which must be recovered. Depending on the employee's age and length of scheme membership these costs can be met by either the employer in the form of capital costs or the employee by way of an abatement of pension for early payment of pension benefits, i.e. the employee's pension is reduced to reflect the cost of early payment.

The Council will not normally approve flexible retirement requests where there is a capital cost to the authority. Only in exceptional circumstances, and where there is a clear operational or financial advantage to the authority, will the Council consider such requests. Please see the Council's Statement of LGPS Discretions.

It is important that employees contact HR to request a pension estimate **before** proceeding with an application for flexible retirement so that an informed decision can be made (see application procedures below).

4.0 Flexible Retirement Procedure (See Appendix D for flowchart)

As set out below:

4.1 Step 1: Written Application (See Appendix A for template)

Before making a request for flexible retirement, employees are advised to contact HR to obtain a pension estimate based on the date the employee wishes to take flexible retirement. The application for flexible retirement will not proceed until the estimates have been received. **Please note that the Pension Service will not respond to requests made directly to them by individual employees.** The estimate provided will show details of any early payment reduction that would be applied to the member's benefits if the request for flexible retirement is granted

All figures are based on the employee's age and length of scheme membership at the provisional date of retirement. If the actual flexible retirement date is different the figures

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may vary, and therefore they should only be used as an indication. The HR team will retain details of any capital costs.

If the employee wishes to proceed he/she must request to do so in writing and return it to his/her line manager, copied to the relevant Head of Service/Corporate Director. If the employee does not wish to proceed with an application, he/she should advise HR accordingly, so that any paperwork retained can be destroyed and disposed of securely as appropriate.

4.2 The written request must include the following:

- confirmation of employees personal details.
- Confirmation of the option they are applying for, i.e. a reduction in hours or a move to an associated role (or both).
- (*applicable to those requesting a reduction in hours*) indicate his/her proposed working pattern and consider any problems that are likely to arise from the proposed arrangement.
- (*applicable to those requesting to move to an associated role*) confirm the role (or type of role) he/she is interested in moving to and to outline the key skills he/she would bring to the role.
- details of the new salary band.
- the employee's business case for flexible retirement.

4.3 Step 2: Consideration by the Line Manager and Head of Service

The line manager will initially discuss the employee's application with the relevant Head of Service to seek an initial view, i.e. whether support is likely to be given to the application. If a pension estimate has been obtained prior to making the application, the line manager will be able to obtain details of any capital costs from the HR Team. The line manager must arrange to meet the employee to discuss his/her application within 28 days of its receipt.

The meeting should be used as an opportunity to review the employee's request and to discuss the proposals in more detail. Consideration should be given also as to whether the employee is open to alternative arrangements, e.g. if the employee has requested a reduction in hours, he/she may be willing to move to an associated role if the reduction in hours cannot be accommodated.

The line manager will write to the employee (suggested template Appendix B & C) within 10 working days of the meeting, to confirm whether the application is or is not supported, subject to the Corporate Director's sign off.

4.4 Decision

4.4.1 Supporting a Request

If support is given (in principle) to the employee's application, but the employee has not yet received a pension estimate, an estimate will need to be obtained at this point.

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Once the pension estimate has been received, the line manager will share the prospective pension benefit information, but not any capital cost details, with the employee. At this point, the employee must advise his/her line manager whether he/she still wishes to proceed with the application.

The employee should be made aware that once agreed and implemented, a reduction in hours and/or a move to an associated role will be a **permanent change** to their contract and they will be unable to revert back to the previous hours or role.

4.4.2 Turning Down a Request

An application for flexible retirement may not be approved for a number of reasons. Whilst this list is not exhaustive, the following reasons would be considered appropriate grounds to turn down a request:

- There is a shortage of skills within the service area that would be hard to replace.
- The arrangement would result in a detrimental impact on service delivery, because the service relies on the employee undertaking their current job at their current hours.
- It is not practical to re-organise work among existing employees/recruit additional employees.
- The cost is prohibitive - A flexible retirement request may be turned down where the costs are prohibitive i.e. to grant flexible retirement would not represent value for money. Applications will be considered on a case by case basis, taking into account service area budgets and any implications for future service delivery if the application for flexible retirement is approved.

Line managers should seek advice from HR before turning down any requests.

4.5 Step 3: Consideration by the Corporate Director

Upon agreement from the Head of Service, the line manager will present the business case for flexible retirement to the relevant Corporate Director. The business case will be put together by the line manager and signed off by the Head of Service, and must include the capital costs of flexible retirement and state from which budget these costs are to be met.

The Corporate Director will then consider the case and confirm his/her decision in writing to the employee within 28 days. Where an application is refused, the employee will be informed of the reason.

4.6 Right of Appeal

Employees have the right of appeal where an application is turned down. If the line manager/Head of Service has turned down the request, the right of appeal is to the HR Team. The appeal will be considered by the Corporate Director and a member of HR.

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The employee will be called to an appeal hearing as soon as possible. The time and place of the meeting will be agreed with the employee and he/she has the right to be accompanied by a trade union representative or a work colleague of his/her choosing.

An appeal hearing may not be necessary, where Corporate Director upholds the appeal and writes to the employee to confirm his/her agreement to the proposals.

Where an appeal hearing is held, Corporate Director must confirm the decision of the appeal hearing to the employee, in writing, within 10 days of the hearing.

Where the decision is to uphold the appeal and to agree the employee's proposals, confirmation of the changes and their effective date will be given.

Where the decision is to dismiss the appeal and to refuse the employee's proposals, the Corporate Director will set out the grounds on which this decision has been based.

Where an employee's application has been refused, he/she is entitled to make a subsequent application. But this must be at least 12 months after the original application was refused.

The decision of the appeal hearing is final and concludes the internal process.

For more information of this process, please either contact HR or refer to The Local Government Pension Scheme.

5.0 Implementation


Implementation will depend on the arrangement and date agreed.

5.1 Employee reducing hours

The line manager must issue an employee change form to the HR Team to reflect the changes to the employee's post.

The reduction in hours will take effect from the date specified on the employee's application (or on a date agreed with the line manager). The HR Team will notify the Payroll Manager so that contact can be made with the Pensions Service in advance, so that early payment of pension benefits can be arranged.

Under the Flexible Retirement Policy, the 'reduced' role will be deemed a new role. Therefore, the HR Team will issue a new contract of employment to the employee and he/she will be brought into the Pension Scheme automatically from the start of the new contract. If the employee wishes to opt out of the scheme, he/she must complete the relevant 'opt out' forms and return these to the Pension Service as soon as possible. An employee can opt out of the pension scheme at any time, but will be entitled to a refund of contributions only if he/she opts out within 3 months of joining the scheme.

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5.2 Employee moving to an Associated Role

If the employee has requested to move to an associated role, the Corporate Director's decision to grant flexible retirement will be conditional upon the employee being appointed to a suitable vacancy within 12 months, i.e. within 12 months of the decision being confirmed in writing.

If the employee does not find a suitable vacancy within 12 months, he/she will need to re-submit an application for further consideration. At this point a revised pension estimate should be sought.

An employee seeking an associated role must apply for posts alongside other candidates and go through the appropriate selection process. To support the employee in finding a suitable role, the HR Team will place him/her on the redeployment list. This means that he/she will have:

- access to roles that become available on the intranet
- the offer of support from HR, i.e. to undertake a skills audit, provide guidance on application form completion and to offer interview training/practice.

Employees will not be given prior consideration for roles, however the HR Team will alert employees on the assisted redeployment list of any vacancies that they might be interested in applying for.

Where an employee is appointed to a lower salary banded role under the Flexible Retirement Policy, there is an expectation that he/she will be appointed at the top of the new salary band.

6.0 Review of Arrangements

Once an employee has taken a reduction in hours or moved to an associated role, he/she will be unable to revert back to the previous hours or role. Therefore, managers should monitor and review the arrangement on a regular basis. Any issues arising from the arrangement should be dealt with as part of day-to-day line management and performance management process.

7.0 Making a Further Request

An employee may decide, at a later stage, to apply for a further reduction in hours (must be a reduction of at least 20% of the hours at that time) or request to take a further downgrading of duties, responsibility and band. An employee must follow the process above when submitting a further application. A further application cannot be made until an employee has been working at his/her current hours or in his/her current role for at least 12 months.

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8.0 Implications of Flexible Retirement on Redundancy Pay and Ill Health Pension Award

Employees should be aware that taking flexible retirement might have an impact on any future redundancy or ill health pension award payments that they might receive. Employees are advised to contact LGPS for further information.

9.0 Early Retirement

9.1 There are four major sets of circumstances where the Pension Scheme allows early retirement for its employees:

- (1) Redundancy
- (2) Premature Retirement in the Interest of the Efficiency of the Authority
- (3) Permanent ill health
- (4) Voluntary application from employees

There is no automatic right to early retirement with immediate enhanced pension, only in the case of dismissal on the grounds of redundancy and efficiency of the service or when a request is made by an employee aged between 55 and 60, and the Staff Committee will consider each case on its merits.

9.2 The decision to agree to early retirement on the grounds of efficiency will only be made in rare circumstances. Any decision will include consideration of:

Economy – e.g. where the early retirement will enable the appointment of a replacement at a lower rate of pay (either within the same scale of where the retiring employee has a protected salary).

Health – where the employee is not so unfit that he/she qualifies for ill health retirement but where health problems are causing him/her difficulties in adequately performing the duties of the post, and this reduction in performance has been certified by the Council's Occupational Health Advisor as being of a long term nature.

Compassion – where the employee's personal circumstances lead the Council to support the early retirement request because of his/her caring responsibilities (e.g. for an ailing spouse or partner who faces long term difficulties).

Effectiveness – where the employee is unable to cope with the changes in the duties of his/her post and these changes are not of a sufficiently substantial level to qualify the employee for redundancy.

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10.0 Application for Early Retirement.

10.1 When employees wish to apply for early retirement they should make a written request to their Line Manager and Corporate Director setting out the reason for the request (e.g. wishing to volunteer for redundancy, seeking early retirement on the grounds of efficiency or simply wishing to retire early).

The Corporate Director will arrange to meet the employee to discuss the request and will seek comment from the employee's Line Manager on its implications.

The Corporate Director will then prepare a report for the next Staff Committee meeting setting out the request and CMT's recommendation. The employee's initial written request will be attached to the report. Right to Appeal will be the same as detailed in 4.6 of this policy.

Where an employee's application has been refused, he/she is entitled to make a subsequent application. This must be at least 12 months after the original application was refused.

10.2 Ill Health Retirement

An employee who suffers from permanent ill health may be allowed to retire. Ill health retirement is considered for employees who are permanently incapable of obtaining gainful employment until their 65th birthday at the earliest.

An appointment with Occupational Health may show that an employee could be a candidate for ill health retirement.

If you require more information on ill health retirement, please contact HR.

11.0 Review of Procedure

The HR Team will monitor the Policy and Procedure to help ensure fair and consistent application. The HR & OD Team will review this procedure three years after its implementation, or earlier if difficulties arise in its operation or if any changes in employment legislation or case law requires such a review.

Author	Human Resources
Date	June 2014
Status	Draft
Date of revisions (if applicable)	
Date agreed	
Date for revision	
Links to other policies	Access to Occupational Health



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PEOPLE POLICIES

PEOPLE POLICY:

FLEXIBLE AND EARLY RETIREMENT

Date Agreed With UNISON:

Date of Effect: DRAFT

APPENDIX A

**Flexible Retirement Application Form
And Business Case**

You must be aged 55 years and over and have at least 3 months membership of the local Government Pension Scheme to apply

Section A to be completed by the applicant

Employee name	Payroll Number	Job Title

Current Grade	Service Area

Date of Birth	Age at date of Application	Current Contracted Hours

Please Indicate whether you wish to reduce your grade, hours or both

Hours

Band (this must be reduced by at least one full grade)

Both

Change to Hours – Please give details of your proposed reduction in hours

Change to Grade – Please give details of your proposed reduction in grade

Have you secured an alternative post? YES / NO

If Yes, please give the post title and grade.....

.....



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PEOPLE POLICIES

PEOPLE POLICY:

**FLEXIBLE AND EARLY
RETIREMENT**

Date Agreed With UNISON:

Date of Effect: DRAFT

Supporting Self- Statement

Please use this section to summarise why you wish to apply for flexible retirement.

Recycling – important please read

Recycling is not permitted under the Finance Act 2006. Recycling is using a tax free lump sum received on retirement to re-invest in the same or other pension arrangements. Both scheme members and administering authorities are liable for charges if recycling occurs.

Declaration

I would like to be considered for flexible retirement. I confirm that I am aged 55 years or over and have at least 3 months membership of the Local Government Pension Scheme.

I have read the statement on recycling and confirm that I will not recycle any lump sum received as a result of flexible retirement.

Signature

Date



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PEOPLE POLICY:

FLEXIBLE AND EARLY RETIREMENT

Date Agreed With UNISON:

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Section B – to be completed by the service manager

Business Case

I support / do not support this employee's request for flexible retirement

A pension and capital cost estimate has been obtained YES / NO

Please detail the reasons for this recommendation below:

Please comment on the following:

- *Cost*
- *Impact on service delivery*
- *Attendance, conduct, performance*
- *How the request can be accommodated*

Service Manager Signature

Date

Section C – to be completed by the Corporate Director

I approve/ do not approve this employee's request for flexible retirement and the release of pension under the flexible retirement provisions.

Signature

Date

APPENDIX B**FLEXIBLE RETIREMENT - ACCEPTANCE CONFIRMATION LETTER FROM HEAD OF SERVICE/DIRECTOR/****Private & Confidential**

Name

Address

Address

Address

Post Code

Date: DATE

NB. This is a template letter, the areas highlighted in yellow are where information needs to be inserted, the areas highlighted in pink are where there are options or guidance for the letter author. All highlights should be removed before sending.

Dear NAME

Thank you for your application for flexible retirement in accordance with the Council's scheme. Your application has been carefully considered and I am pleased to inform you that your request has been granted.

The Local Government Pension Scheme allows phased retirement for employees, aged 55 years or over, to either reduce hours or reduce grade and receive payment of pension benefits whilst continuing to work for the Council.

I would therefore be grateful if you could confirm the following, in writing, as soon as possible:

1. that you wish to proceed with your application for flexible retirement
2. the date on which you wish to retire
3. the contractual change you wish to make to satisfy the pension regulations

The contractual change that you wish to make will be a permanent change and will take effect from the day following your retirement date.

Please contact the HR team if you have any queries in relation to this letter.

Yours sincerely

NAME

JOB TITLE



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PEOPLE POLICY:

FLEXIBLE AND EARLY RETIREMENT

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APPENDIX C

FLEXIBLE RETIREMENT - REFUSAL CONFIRMATION LETTER FROM HEAD OF SERVICE/DIRECTOR

Private & Confidential

Name

Address

Address

Address

Post Code

Date: DATE

NB. This is a template letter, the areas highlighted in yellow are where information needs to be inserted, the areas highlighted in pink are where there are options or guidance for the letter author. All highlights should be removed before sending.

Dear NAME

Thank you for your application for flexible retirement. I have given your application careful consideration and I regret to advise you that I am unable to approve your request under the terms of the scheme.

It was not possible to grant your application for the following reason/s:

- 1.....
- 2.....
- 3.....

If you wish to appeal this decision, you should write to the Head of HR, within 10 days from the date of this letter.

Yours sincerely

NAME

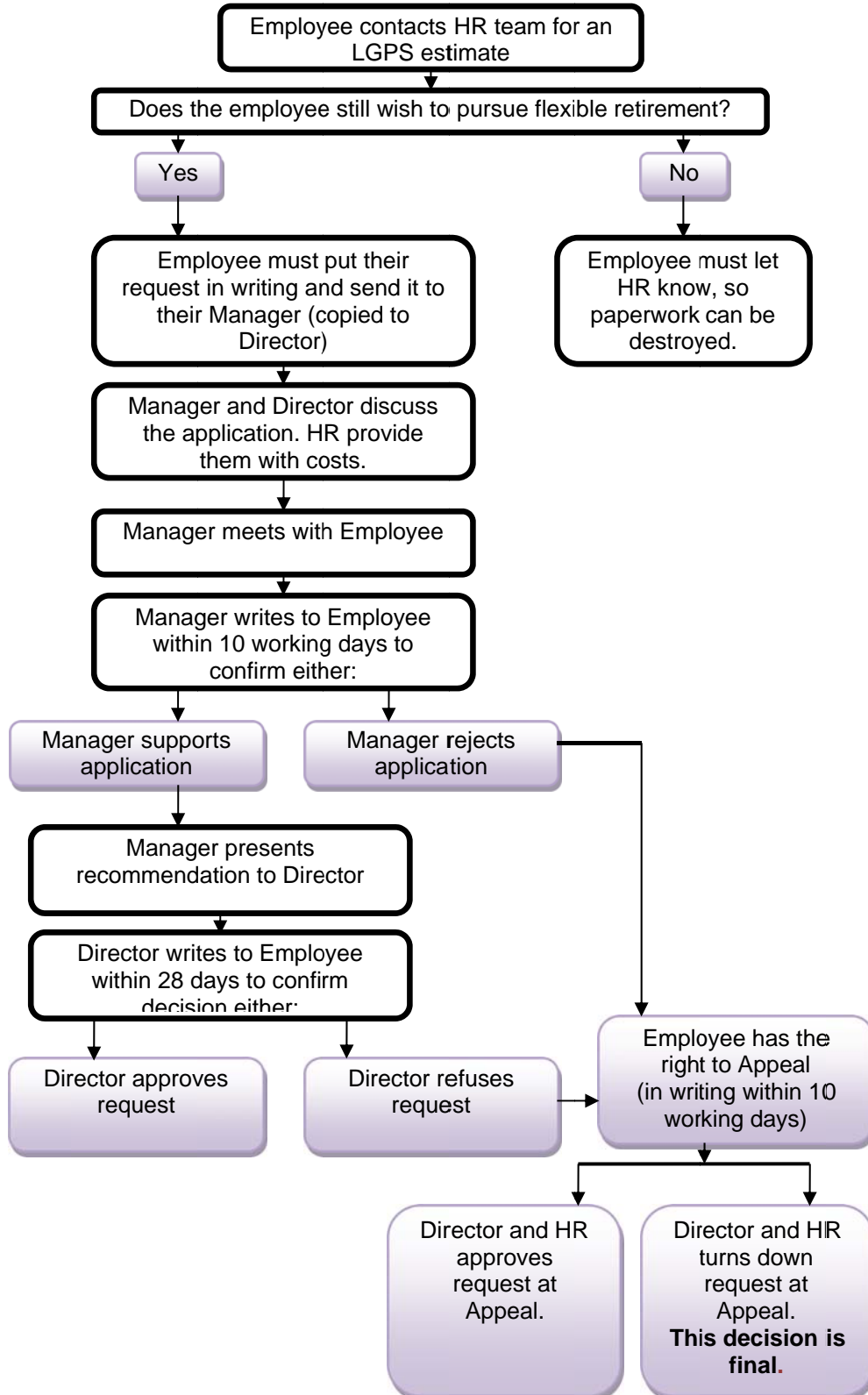
JOB TITLE

APPENDIX D

Flexible Retirement Process Flow Chart

Employees are eligible if:

- They are over 55
- They have 3+ months LGPS membership
- They have 2+ years continuous service with FDC
- They have been in their post for 12+ months



No.	Discretion	Regulation	Fenland District Council's Policy
Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to active scheme members and members who cease active membership after 31 March 2014 (excluding Councillors)			
1	Whether to grant additional pension of up to £6,500 to an active member or within 6 months of leaving to a member whose employment is terminated on the grounds of redundancy or business efficiency.	R31	FDC will not make use of the discretion to grant extra annual pension of up to £6,500 (figure as at 1 April 2014).
2	Whether, where an active Scheme member wishes to purchase extra annual pension of up to £6,500 (figure as at 1 April 2014) by making Additional Pension Contributions (APC's), FDC will voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).	R16(2)(e) & R16(4)(d)	FDC will not contribute to a Shared Cost APC.
3	<p>Whether to permit flexible retirement for staff aged 55 or over who, with the agreement of FDC, reduce their working hours or grade and, if so, as part of the agreement:</p> <ul style="list-style-type: none"> • Whether, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw if flexible retirement is agreed), to permit the member to choose to draw: <ul style="list-style-type: none"> • All, part or none of the pension benefits they accrued after 31 March 2008 and before 1 April 2014, and/or • All, part or none of the pension benefits they accrued after 31 March 2014, and • Whether to waive, in whole or in part, any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before normal pension age. 	<p>R30(6) & TP11(2)</p> <p>R30(8)</p>	<p><u>Flexible retirement</u> FDC will not agree to flexible retirement except in circumstances where FDC considers it is in its financial or operational interests to do so. Each case:</p> <ul style="list-style-type: none"> • Will be considered on the merits of the financial and/or operational business case put forward, • Will set out whether, in addition to any pre 1 April 2008 benefits, the member will be permitted to take all, some or none of their post 31 March 2008 benefits, and • Will require the approval of CMT and Staff Committee. <p><u>Waiver of any actuarial reduction on flexible retirement</u> Where flexible retirement is agreed, the benefits payable will be subject to any actuarial reduction applicable under</p>

No.	Discretion	Regulation	Fenland District Council's Policy
			the LGPS Regulations 2013 and LGPS Regulations 2014. FDC will only waive any such reductions, in whole or in part, where it considers it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and /or operational business case put forward and will require approval of CMT and Staff Committee.
4	Whether, as the 85 year rule does not (other than on flexible retirement) automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60, to switch the 85 year rule back on in full for such members.	TPSch 2, paras 1(1)(c), 1(2) and 2(2)	FDC will not agree to switch the 85 year rule on in full where members choose to voluntarily draw their benefits on or after age 55 and before age 60 except in circumstances where FDC considered it is in its financial or operational interests to do so. Each case: <ul style="list-style-type: none"> • Will be considered on the merits of the financial and/or operational business case put forward, • Will require the approval of CMT and Staff Committee.
5	For active members voluntarily retiring on or after age 55 and before Normal Pension Age who elect under regulation 30(5) of the LGPS to immediately draw benefits, and for deferred members and suspended tier 3 ill health pensioners who elect under regulation 30(5) of the LGPS to draw benefits (other than ill health grounds) on or after age 55 and before Normal Pension Age, and who: <ul style="list-style-type: none"> • were <u>not</u> members of the LGPS before 1 October 2006, whether to: • waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits, 	TP3(1), TPSch 2, paras 2(1) and 2(2), B30(5) and B30(8) R30(8)	FDC will not agree to waive on compassionate grounds any reduction on benefits for employees where members choose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age except in circumstances where FDC considers it is in its financial or operational interests to do so or there are compelling compassionate reasons for doing so. <p>Each case:</p> <ul style="list-style-type: none"> • will be considered on the merits of the financial and/or operational business case put forward, or • will be considered on the merits of the

No.	Discretion	Regulation	Fenland District Council's Policy
	<p>if any, accrued before 1 April 2014, and/or</p> <ul style="list-style-type: none"> • waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2014 • were members of the LGPS before 1 October 2006 and <u>will</u> be 60 or more on 31 March 2016 whether to: <ul style="list-style-type: none"> • waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits, accrued before 1 April 2016, and/or • waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2016 • were members of the LGPS before 1 October 2006 and will not be 60 or more on 31 March 2016 and will not attain age 60 before 1 April 2016 and 31 March 2020, whether to: <ul style="list-style-type: none"> • waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits, accrued before 1 April 2014, and/or • waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2014 • were members of the LGPS before 1 October 2006 and will not be 60 or more on 31 March 2016 but will attain age 60 between 1 April 2016 and 31 March 2020, whether to: 		<p>compassionate case put forward, and</p> <ul style="list-style-type: none"> • will require the approval of CMT and Staff Committee.

No.	Discretion	Regulation	Fenland District Council's Policy
	<ul style="list-style-type: none"> waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits, accrued before 1 April 2020, and/or waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2020. 		
6	Whether, how much, and in what circumstances to contribute to a shared-cost AVC arrangement entered into on or after 1 April 2014 and whether, how, and in what circumstances to continue to contribute to any shared-cost AVC arrangement entered into before 1 April 2014.	R17(1) & definition of SCAVC in RSch 1 TP15(1)(d) & A25(3)	FDC will not enter into a shared-cost AVC arrangement.
7	Whether, with the agreement of the Pension Fund administering authority, to permit a scheme member to elect to transfer other pension rights in the LGPS if they have not made such an election within 12 months of joining the LGPS.	R100(6) R22(8)(b) R22(7)(b)	Subject to the agreement of the relevant administering authority in any individual case, FDC will extend the 12 month period: <ul style="list-style-type: none"> where the member is initially appointed on a fixed term contract for a period of a year or less and the contract is subsequently extend to a period of greater than one year, or where FDC agrees that the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration.
8	How the pension contribution band to which an employee is to be allocated on joining the Scheme, and at each subsequent April, will be determined and the circumstances in which the employer will, in addition to the review each April, review the pension following a material change which affects the	R9(1) & R9(3)	FDC will assess an employee's contribution rate based on their annual salary rate. FDC will reassess an employee's contribution rate as from the date from which a change in their annual salary

No.	Discretion	Regulation	Fenland District Council's Policy
	<p>member's pensionable pay in the course of a Scheme year (1 April – 31 March).</p>		<p>rate is effective. This can result in a retrospective reallocation to a different contribution rate with a consequential adjustment to the employee contributions due.</p> <p>NB: Annual salary will be based on actual rate for a part-time employee</p>
9	<p>Whether or not, when calculating assumed pensionable pay when a member is:</p> <ul style="list-style-type: none"> • on reduced contractual pay or no pay due to sickness or injury, or • absent during ordinary maternity, paternity or adoption leave or during paid additional maternity, paternity or adoption leave, or • absent on reserve forces service leave, or • retires with a Tier 1 or 2 ill health pension, or • dies in service <p>to include in the calculation the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred.</p>	R21(5)	<p>In assessing Assumed Pensionable Pay FDC will not include in the calculation any regular lump sum payment, except:</p> <ul style="list-style-type: none"> • shift allowance • market premia • honorarium.

No.	Discretion	Regulation	Fenland District Council's Policy
	<p>Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 April 2008 and 31 March 2014 (excluding Councillors)</p>		
1	<p>Whether to grant applications for the early payment of deferred pension benefits on or after age 55 and before age 60.</p>	B30(2)	<p>Where a former scheme member who left the scheme between 1 April 2008 and 31 March 2014 requests early</p>

No.	Discretion	Regulation	Fenland District Council's Policy
			release of deferred benefits on or after age 55 and before age 60, approval will only be given on compassionate grounds. Each a case will be considered on its merits and will be subject to the approval of CMT and Staff Committee. Subject to item 2 (below), the benefits payable in such circumstances will be subject to any actuarial reduction applicable under the relevant LGPS regulations.
2	Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.	B30(5)	Each case will be considered on its merits and will be subject to the approval of Staff Committee.
3	Whether to grant applications for the early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60.	B30A(3)	Where a former scheme member who left the scheme between 1 April 2008 and 31 March 2014 requests early release of a suspended tier 3 ill health pension on or after age 55 and before age 60, approval will only be given on compassionate grounds. Each case will be considered on its merits and will subject to the approval of Staff Committee. Subject to item 4 (below), the benefits payable in such circumstances will be subject to any actuarial reduction applicable under the relevant LGPS regulations.
4	Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to any suspended tier 3 ill health pension benefits awarded before 1 April 2014 which are brought back into payment before age 65.	B30A(5)	Each case will be considered on its merits and will be subject to the approval of Staff Committee.
5	Whether, within 6 months of the date of termination, to grant extra membership in the pension scheme to a Scheme Member whose employment was terminated before 1 April	B12	FDC will not grant extra pension scheme membership to a Scheme member whose employment was terminated before 1 April 2014 on the grounds of redundancy or

No.	Discretion	Regulation	Fenland District Council's Policy
	2014 on the grounds of redundancy or business efficiency.		business efficiency.

No.	Discretion	Regulation	Fenland District Council's Policy
Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 April 1998 and 31 March 2008 (excluding Councillors)			
1	Whether to grant applications for the early payment of pension benefits on or after age 50* and before 60. * benefits paid on or after age 50 and before age 55 will be subject to an unauthorised payment charge under the Finance Act 2004 and, where applicable, an unauthorised payments surcharge under that Act, and a Scheme sanction charge on any benefits built up after 5 April 2006.	31(2)	Where a former scheme member who left the scheme between 1 April 1998 and 31 March 2008 requests early release of deferred benefits on or after age 50 and before age 60, approval will only be given on compassionate grounds. Each case will be considered on its merits and will be subject to the approval of CMT and Staff Committee. Subject to item 2 (below), the benefits payable in such circumstances will be subject to any actuarial reduction applicable under the relevant LGPS regulations.
2	Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65.	31(5)	Each case will be considered on its merits and will be subject to the approval of Staff Committee.

No.	Discretion	Regulation	Fenland District Council's Policy
Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership before 1 April 1998 (excluding Councillors)			
1	Whether to grant applications for the early payment of deferred pension benefits on or after age 50* and before 65 on compassionate grounds. * benefits paid on or after age 50 and before age 55 will be subject to an unauthorised payment charge under the Finance	D11(2)(c)	Each request will be considered on its merits and will be subject to the approval of Staff Committee.

No.	Discretion	Regulation	Fenland District Council's Policy
	Act 2004 and, where applicable, an unauthorised payments surcharge under that Act, but there would be no Scheme sanction charge.		

No.	Discretion	Regulation	Fenland District Council's Policy
	Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (excluding Councillors)		
1	Whether to base a redundancy payment on an employee's actual weeks' pay where this exceeds the statutory week's pay limit of, currently £464 per week (as at 6 April 2014).	5	Any redundancy payment will be calculated on the employee's actual week's pay. Continuous local government service, as defined under the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999, will be taken into account in the calculations of redundancy payments.
2	Whether to make a termination payment (inclusive of any redundancy payment) of up to a maximum of 104 weeks' pay.	6	Redundant staff will receive a severance payment (to incorporate statutory redundancy pay) calculated using the statutory redundancy payment formula but based on actual pay, as per policy.

No.	Discretion	Regulation	Fenland District Council's Policy
	Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (excluding Councillors)		
1	How a person's annual compensatory added years payment is to be abated during, and following the cessation of, any period of re-employment by an employer who offers membership of the LGPS to its employees, regardless of whether or not the employee chooses to join the LGPS (except where the	17 19 21(7)	FDC will, during any period of unemployment in local government (see note below) abate a person's annual compensatory added year's pension payment by the 'excess' if the aggregate of: <ul style="list-style-type: none"> the annual compensation, and

No.	Discretion	Regulation	Fenland District Council's Policy
	<p>employer is an Admitted Body, in which case abatement only applies if the person is in the LGPS in the new employment)</p>	<p>21(5)</p>	<ul style="list-style-type: none"> • the annual pension from the LGPS, and • the annual rate of pay from the new employment exceeds the pay the person would have received from the employment in respect of which the compensatory added years were granted, based on the annual rate of pay at the date of casing the formal employment as increased by the retail Prices Index. <p>Where compensatory added years were awarded on or after June 2000, FDC will reduce a person's annual compensatory added year's payment following the cessation of a period of re-employment in local government (see note below) to the extent necessary to secure that if:</p> <ul style="list-style-type: none"> • the period of compensatory added years granted in respect of the former employment. <p>Plus</p> <ul style="list-style-type: none"> • the period of membership the person has accrued in the LGPS (or would have accrued had they joined the scheme when first eligible to do so) during the periods of re-employment in local government, counted at its part-time length, if the person was part-time, <p>exceeds</p> <ul style="list-style-type: none"> • the period of membership the person would have accrued during the period from the cessation of the former employment until age 65 on the assumption that they had continued in that former employment

No.	Discretion	Regulation	Fenland District Council's Policy
			<p>to age 65 (again counted at its part-time length if the person was part-time at the date of cessation of the former employer),</p> <p>then</p> <ul style="list-style-type: none"> the annual pension and lump sum from the first job combined with the annual pension and lump sum from the second job (based on the assumption that the employee joined the LGPS when first eligible to do so), plus the annual compensation and lump sum compensation, shall not in aggregate exceed the pension and lump sum the person would have achieved if they had remained in the first job through to age 65. <p>Where there is an excess, the annual compensation must be reduced by the excess pension, and if the annual compensation is not reduced to nil, the amount of the remaining (reduced) basic annual compensation (excluding cost of living increases) must then be suspended until the excess lump sum (if any) is recovered.</p> <p>In calculating whether or not, in aggregate, the annual pension and lump sum from the first job, plus the annual pension and lump sum (if any) from the second job (based on the assumption that the employee joined the LGPS at the first opportunity), plus the annual compensation and lump sum compensation, exceeds the pension and lump sum the person would have achieved if</p>

No.	Discretion	Regulation	Fenland District Council's Policy
			<p>he/she had remained in the first job through to age 65 it will be necessary to compare:</p> <ul style="list-style-type: none"> a) the actual LGPS pre 1 April 2009 1/80th pension and 3/80th lump sum, plus the actual LGPS post 31 March 2008 1/60th pension (ignoring commutation for a lump sum), plus the actual 1/80th annual compensation and 3/80th lump sum compensation, with b) the 1/80th LGPS pension and 380ths lump sum the member would have achieved in their first job to 31 March 2008, plus the 1/60th LGPS pension the member would have achieved in their first job (ignoring any potential commutation for a lump sum), if the member had stayed in the first job through to age 65. <p>In determining the benefits the employee could have achieved had he/she remained in the first employment through to age 65 it will be necessary to determine the pensionable pay to be used in the calculation of the pension benefits in the first job will be used as brought up to date, at the date of cessation of the period or re-employment, by increasing it in line with the rate at which an "official pension" would have been increased under the Pensions (Increase) Act 1971.</p>
2	How any surviving spouse's or civil partner's annual compensatory added years is to be apportioned where the deceased person is survived by more than one spouse or civil	21(4)	FDC will apportion any surviving spouse's or civil partner's annual compensatory added years where the deceased person is survived by more than one spouse or

No.	Discretion	Regulation	Fenland District Council's Policy
	partner.		civil partner in such proportions as, at its sole discretion, it sees fit (based on the merits of the individual case).
3	Whether, if the spouse of a person who ceased employment before 1 April 1998 remarries, enters into a civil partnership or cohabits after 1 April 1998, the normal annual compensation suspension rules will be dis-applied i.e. the survivor's annual compensatory added years will continue to be paid.	21(7)	If the spouse of a person who ceased employment before 1 April 1998 remarries, enters into a civil partnership or cohabits after 1 April 1998, the normal annual compensation suspension rules will be dis-applied i.e. the spouses annual compensatory added years will continue to be paid.

No.	Discretion	Regulation	Fenland District Council's Policy
	Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Payments) (Injury Allowances) 2011(excluding Councillors)		
1	<p>Whether to make an injury award to those who sustain an injury or contract a disease as a result of anything they were required to do in performing the duties of their job and in consequence of which they:</p> <ul style="list-style-type: none"> • suffer a reduction of remuneration, or • cease to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease, or • die leaving a surviving spouse, civil partner or dependant, and <p>if so, how the amount of injury allowance to be paid is to be determined.</p>	3(1)	<p>FDC will not make any injury award to those who sustain an injury or contract a disease as a result of anything they were required to do in performing the duties of their job.</p> <p>FDC holds Employer's Liability Insurance and has provision for employees within the Sickness Absence Policy in line with National Agreement on pay and conditions of service (Green Book).</p>

FDC reserve the right to change the policy at any time without prior notice or consultation, although FDC will endeavour to discuss proposed changes with the recognised Trade Unions.