

**EMPLOYMENT COMMITTEE – 28 FEBRUARY 2012****REPORT OF THE DIRECTOR OF CORPORATE RESOURCES****LOCAL GOVERNMENT PENSION SCHEME - DISCRETIONS****Purpose of the Report**

1. To request the Committee to agree to the policies adopted by the County Council in respect of discretions afforded under the provisions of the Local Government Pension Scheme Regulations.

**Background**

2. Pension regulations require the Authority to formulate, publish and keep under review its policies in respect of certain areas of the Scheme where it may exercise its discretion.
3. At its meeting on 10 December 2009, this Committee agreed to the four discretionary policies which the County Council as an employer must publish. The four discretionary policies are detailed in the report which was considered on 10 December 2009, a copy of which is appended to this document (paragraph 7 of the appended report refers).
4. The policies have now been reviewed and a change in policy in respect of Regulation 30 is recommended.
5. LGPS Benefits Regulations – Regulation 30: “Early payment of retirement benefits at the member, or former members, request” provides that:

a scheme member or former member can request that the Employer grant early retirement between 55 and 60 years old. It is possible that where a members’ pension is introduced early, these benefits will be reduced. The reduction is calculated in accordance with guidance issued by the Government Actuary. An employer may determine not to apply any reduction.

<b>Current policy</b>	<b>Revised policy</b>
<p>The Council has agreed to exercise its discretion where the following criteria are met.</p> <p>Scheme member or former member is required to provide medium to long term care i.e. potentially no less than 2 years for a substantial period of each day for a dependant family member who is not terminally ill and whose incapacity and need for that care is confirmed by a medical practitioner.</p> <p>Where the above is satisfied, the Council has further agreed to waive any actuarial reductions which may apply.</p>	<ul style="list-style-type: none"> <li>• The County Council will not consent to requests for early retirement where capital costs are applicable unless there are exceptional circumstances.</li> <li>• All requests for immediate access to retirement benefits under this regulation should be made in writing to be considered on an individual basis.</li> <li>• The County Council will, in principle, consider requests for early retirement as an application of early retirement arising from redundancy where the request would result in the same cost, a lower cost, or nil cost to the County Council.</li> <li>• In all cases, early retirement will only be considered when supported by a justifiable business case.</li> </ul>

### **Recommendation**

6. The Employment Committee is recommended to approve the proposed change to the policy relating to Regulation 30, as set out in paragraph 5, and authorise the Director of Corporate Resources to apply the same policy in respect of former scheme employers.

### **Background Papers**

Report to the Employment Committee - 10 December 2009 - Local Government Pension Scheme Employing Body Discretions.

Report to the Employment Committee – 20 February 2009 - Local Government Pension Scheme - Administering Authority Discretions.

### **Circulation under the Local Issues Alert Procedure**

None.

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### **List of Appendices**

Appendix - Report to the Employment Committee - 10 December 2009 - Local Government Pension Scheme Employing Body Discretions

### **Equal Opportunities Implications**

There are no equal opportunity implications arising from this report. The discretions apply to all scheme members.