

STATEMENT OF LOCAL EMPLOYER PENSION POLICY APRIL 2014

This statement applies to all employees of The London Borough of Hammersmith and Fulham, who are eligible to be members of the Local Government Pension Scheme. There are four specific matters on which the Council needs to declare its local policy as an employer and two specific matters on which the Council needs to declare its local policy as an administering authority. These are set out below.

1. Discretion of employer to award additional pension

Regulation 31 LGPS Regs 2013

This regulation gives an employer the power to award up to £6,755 per year additional pension (increased in April each year by the Pensions Increase Act) to an active member or a member who is dismissed by reason of redundancy or business efficiency on retirement.

Local policy:

The Council will consider use of this regulation to award additional pension on the recommendation of the Director of Human Resource (DHR) if the DHR finds that an employee can demonstrate that awarding additional pension will lead to actual cash saving for the Council which always fully offset the cost of awarding additional pension. If the DHR considers that this has not been demonstrated then the request will be refused and will not be referred to the relevant committee.

Where the discretion is exercised the cost to the pension fund is to be reimbursed within one month of a resolution being made

2. Discretion to permit flexible retirement

Regulation 30(6 and 30(8)) LGPS Regs 2013

This regulation enables an employer to let an employee aged 55 or more reduce his/her hours or grade and receive immediate payment of all or part payment of the pension benefits to which that member would be entitled in respect of that employment, adjusted by the amount shown as appropriate in actuarial guidance issued by the Secretary of State.

If the employee would suffer an actuarial reduction in the pension and lump sum due to the early payment, the regulations confer a further discretion for the employer, at its own cost, to waive that reduction in any particular case.

Local Policy

The Council will consider allowing flexible retirement to an employee aged 55

or more only where no costs occur to the pension fund from flexible retirement. No waiver of actuarial reduction will be made in such a case

If flexible retirement is requested in relation to a reduction in contractual hours, requests will only be considered where the reduction in hours is at least 40%. Under this arrangement the employee would not be permitted to work more than 3 days per week. Also, this discretion may only be used where the employing department can demonstrate that there will be no adverse impact to service users.

The Council wishes to support employees who wish to have a gradual transition to full retirement via a reduction in working hours or a reduction in responsibility, so will be minded to support applications from members who have attained age 60. In all cases, support will be required from the employing department who will need to submit a business case detailing how the service will be maintained. The DHR will consider such requests in conjunction with the Chief Executive and the Director for Finance.

3. Discretion to waive in whole or in part any actuarial reduction

Regulation 30(8) LGPS Regs 2013

This regulation gives the employer discretion to waive in whole or in part any actuarial reduction that would be required where a LGPS CARE scheme member, who has attained age 55 or more, elects to receive immediate payment of a retirement pension in relation to an employment, if that member is not an employee in local government services in that employment

Local Policy

No waiver of actuarial reduction will be made in such a case.

4. Permitting additional pension contributions

Regulation 16 LGPS Regs 2013

Regulation 16 gives the employer discretion to fund in whole or in part the scheme member's lump sum contribution to pay Additional Pension Contributions (APCs) to cover a period of absence from work on child-related leave, reserve forces leave or because of illness or injury. In the event of the employer exercising its discretion to fund in whole or in part the absence, it also permits the administering authority to require a medical report from the applicant, to show that he/she is in reasonably good health.

The Council will only in exceptional circumstances fund in whole or in part pension contributions to cover a period of absence with employer permission.

Consideration will be given to the circumstances of each individual case and will include reasons for the absence e.g. unplanned change in circumstances or bereavement. The Council will always require a medical report from an applicant- obtained at the applicant's cost – before agreeing any additional pension contributions.

5. Awarding Death Grant payments

Regulation 40 LGPS Regs 2013

This regulation gives an administering authority absolute discretion as to the person to who a death grant payment should be made.

Local Policy

The Council will decide to whom death grants should be paid, taking into account, but not limited to any expression of wish form. Where there is no expression of wish form or an existing nomination, which may no longer reflect the member's intentions, (for example there is a subsequent marriage, divorce or children), letter of administration or grant of probate may be requested.

6. Paying Child Pensions

Schedule 1 LGPS Regs 2013

Under this schedule, an administering authority has the discretion to treat a child's full-time education or vocational training as continuous, ignoring any break.

Local Policy

The Council will take into account the circumstances of each individual case which will include consideration of the reasons for the break e.g. unplanned change in circumstances or bereavement.