

Witham Town Council: Employer Discretions Policy

Policy Overview

The Local Government Pension Scheme Regulations define the details of the scheme for members, employing authorities and the administering authority (Essex Pension Fund). This document sets out the Town Council's position on both mandatory and non-mandatory discretionary policies.

Mandatory Discretions

1. Whether to grant additional pension to a member.
2. For the employer to part fund an Additional Pension Contribution (SCAPC) contract for extra pension.
3. Whether to permit flexible retirement.
4. 'Switching on' the 85-year rule upon the voluntary early payment of deferred benefits.
5. Whether to waive upon the voluntary early payment of benefits, any actuarial reduction on compassionate grounds or otherwise (excluding flexible retirement).

Non- Mandatory Discretions

6. Whether to, how much and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement?
7. Whether to extend the time limit for a member to elect to purchase additional pension by way of a shared cost additional pension contribution (SCAPC) arrangement?
8. Whether to extend the 12-month time limit for a member to elect to transfer pension rights from another registered pension scheme into the Scheme?
9. Whether to extend the 12-month time limit for a member to elect not to aggregate Post 31 March 2014 (or combination of Pre April 14 & Post March 14) deferred benefits?
10. Whether to extend the 12-month time limit for a member to elect to aggregate Pre 1 April 2014 deferred benefits?
11. How an employee's contribution band will be initially determined and thereafter reviewed?
12. Whether to include a regular lump sum payment when calculating assumed pensionable pay (APP)?
13. Whether, subject to qualification, to substitute a higher level of pensionable pay when calculating assumed pensionable pay (APP)?

LGPS EMPLOYER'S DISCRETIONS POLICY FOR WITHAM TOWN COUNCIL LGPS 2014 Scheme

DISCRETION & REGULATION	POLICY ON INDIVIDUAL DISCRETIONS
Reg 31: Whether to grant additional pension to a member (up to £6,822pa as per April 2018))	Witham Town Council will only exercise this discretion in exceptional circumstances. This discretion will only be exercised with the expressed position of the Staffing Committee after considering the associated costs. Each case will be considered on its merits, taking into account the economic interests of the Council and any actuarial advice.
Reg 16(2)e & Reg 16(4)d: Whether to it make either a regular or lump sum Additional Pension Contribution (APC) to a member's account (part or whole funding this) [Note: this discretion only relates to cases when the member is working as normal rather than absent from work with permission but no pensionable pay – in the latter scenario, employers must fund it if necessary.]	Witham Town Council will only exercise this discretion in exceptional circumstances. This discretion will only be exercised with the express approval of the Staffing Committee after considering the associated costs. The Council will not pay for, or contribute to, a member's Additional Pension Contributions via a SCAPC other than in very exceptional circumstances.
Reg 17(1): Whether to contribute to a Shared Cost Additional Voluntary Contribution (SCAVC) arrangement	Witham Town Council will not contribute to a SCAVC arrangement except in very exceptional circumstances, such as on compassionate grounds. Any contributions will be determined on a case-by-case basis.
Reg 30(6): Whether all or some pension benefits can be paid if an member aged 55 or over reduces their hours/grade and continues to work ("flexible retirement")	Witham Town Council will consider employee requests to take flexible retirement on a case by case basis after taking into factors such as service delivery and any associated costs. The Staffing Committee will be responsible for approving or denying all flexible retirement requests. Requests must be made in writing and supported by relevant documentation.

Reg 30(8) Waiving actuarial reduction on flexible retirement.	Witham Town Council will only waive the actuarial reduction on flexible retirement in exceptional circumstances following approval from the Staffing Committee. All relevant factors, including compassionate grounds and cost implications will be considered.
TP Regs 1(1)(c) of Schedule 2: Whether to allow the rule of 85 to be “switched on” for members who would normally meet the rule but who will not if they draw the benefits age 55-59	Witham Town Council will only agree to “switch on” the rule of 85 in exceptional circumstances following approval from the Staffing Committee after considering the associated costs. Each case will be considered on its merits and in accordance with current LGPS guidance.
Regs 22(8 & 9) Whether to extend 12-month period to separate previous LG service.	Witham Town Council will only allow an extension to the 12-month period to separate previous LG service where it can be reasonably shown that the member was not provided with the required information within 6 months of starting. Requests must be made in writing and supported by evidence of late notification.
Reg 9(3) Determine rate of employees’ contributions.	Witham Town Council will review all employees’ contribution bands when there has been contractual change to a member’s salary or hours at some point during the year. A member’s contribution rate will not be reviewed as the result of one-off additional payments (such as honorariums). The Council will ensure that contribution banding is applied fairly and in accordance with the Equality Act 2010, promoting equality and diversity in its policies and procedures.
Reg 100(6) Whether to extend 12-month period to allow a transfer-in of non-LG pension rights.	Witham Town Council will only allow an extension to the 12-month period to combine previous non-LG service where it can be shown that the member was not provided with the required information within 6 months of starting. Requests must be made in writing and supported by relevant evidence.
Reg 22(7): Whether to extend the 12-month period for a member to elect not to aggregate concurrent LGPS benefits	Witham Town Council will only allow an extension where it can be shown that the member was not provided with the required information within 6 months of starting. Requests must be made in writing and supported by evidence of late notification

Reg 10(6) of the 2014 Transitional Regulations: Whether to extend the 12-month period for a member to elect to aggregate pre-1 April 2014 deferred benefits	Witham Town Council will only allow an extension where it can be shown that the member was not provided with the required information within 6 months of starting. Requests must be made in writing and supported by evidence of late notification
Reg 21(4)(a): Whether to include a regular lump sum payment when calculating assumed pensionable pay (APP)	Witham Town Council will include a regular lump sum payment in the calculation of APP only where it is a contractual and regular part of pay. Each case will be considered on its merits.
Reg 21(5): Whether to substitute a higher level of pensionable pay when calculating APP	Witham Town Council may substitute a higher level of pensionable pay when calculating APP if it is in the best interest of the member and the Council, and in accordance with LGPS regulations.
Reg 64: Whether to pay an exit credit to an exiting employer, and if so, the amount	Witham Town Council will exercise discretion to determine whether an exit credit is payable and, if so, the amount, taking into account the factors specified in the most recent LGPS regulations. The Council will act reasonably and in accordance with public law duties when exercising this discretion

Underpin Protection (McCloud Remedy)

The Council will ensure compliance with the McCloud remedy regulations, providing underpin protection to qualifying members in accordance with the latest LGPS guidance. Members who were active in the scheme on 31 March 2012 and have not had a break of more than five years in service may be eligible for underpin protection for service between 1 April 2014 and 31 March 2022.

Policy Review and Publication

This policy will be reviewed at least every three years, or sooner if there are significant changes to LGPS regulations or relevant legislation. The policy will be made available to all employees, and a copy will be provided to Essex Pension Fund within one month of any changes.

Complaints and Appeals

Any complaints regarding the application of these discretions should be made in writing to the Town Clerk. Appeals will be considered by the Staffing Committee in accordance with the Council's Complaints Procedure.

Agreed at Minute 23 of Staffing & Accommodation Meeting held 02/12/2019

Reviewed: 22nd June 2025

Review: June 2026

POLICY NO: WTC/006 - STAFFING COMMITTEE