

**Statements of policy about
exercise of discretionary
functions
Harrow Council**

July 2014

Introduction

This document details Harrow Council's current Statements of Policy in its exercise of discretions as a Local Government Pension Scheme Employing Authority by virtue of the following Regulations;

- Regulation 60 of the Local Government Pension Scheme 2013 Regulations (referred to as the LGPS Regulations 2013).
- Schedule 2 (paragraph 2(2)) of the Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 (referred to as the Transitional Regulations)
- Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation (England and Wales) Regulations 2006 (referred to as the Discretionary Compensation Regulations).

Exercise of Discretions

Harrow Council's policy on each of the discretions afforded to an Employing Authority is detailed in the table below.

Employer Discretion	Harrow Council's Policy
<p>Regulation 31 LGPS Regulations 2013 Whether to grant extra annual pension of up to *£6,500 to an active Scheme member or within 6 months of ceasing to be an active scheme member by reason of redundancy or business efficiency.</p> <p><i>*The figure of £6,500 increases each April under the Pension (Increase) Act 1971.</i></p>	<p>The Council has resolved to grant extra annual pension in exceptional circumstances only.</p>
<p>Regulation 16(2)(e) and 16(4)(d) LGPS Regulations 2013 Whether, where an active scheme member wishes to purchase extra annual pension of up to £6,500 under an Additional Pension Contribution (APC) arrangement, to voluntarily contribute towards the cost via a Shared Cost Additional Pension Contribution (SCAPC) arrangement.</p>	<p>The Council has resolved to contribute to a Shared Cost Additional Pension Contribution (SCAPC) arrangement in exceptional circumstances only.</p>
<p>Regulation 30(6) LGPS Regulations 2013 Whether the early payment of all or some benefits on or after age 55 can be paid if an employee reduces their hours or grade (flexible retirement).</p> <p>Regulation 30(8) LGPS Regulations 2013 Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.</p>	<p>a) All requests for flexible retirement will be considered;</p> <p>b) Approval will only be granted if it is in Harrow Council's best interest to do so and where the service area can demonstrate operational efficiencies;</p> <p>c) There will have to be a sufficient reduction in the scheme member's grade or hours to meet any cost to the pension fund.</p>

	<p>d) The waiving of any early retirement actuarial reduction (either in part or in full) will only be considered in exceptional circumstances.</p> <p>e) Flexible Retirements must be approved by a Director and agreed by;</p> <p>I. The Officer Sub Group in consultation with the Portfolio Holder for Finance & Major Contracts to approve flexible retirement requests where there is a cost to the pension fund or</p> <p>II. The Divisional Director of HRD & Shared Services where there is no cost to the pension fund.</p>
<p>Paragraph 1(1)(c) Transitional Regulations Whether to 'switch back on' the 85 year rule for a *scheme member who would otherwise be subject to it and who chooses to voluntarily draw benefits on or after age 55 and before age 60.</p> <p>Regulation 30(8) LGPS Regulations 2013 Whether to waive, in whole or in part, any actuarial reduction on benefits which a member draws before normal pension age.</p>	<p>a) Consideration will be given to all requests for the application of the 85 year rule or the waiving of any actuarial reduction, in part or full;</p> <p>b) Approval will only be granted if it is in Harrow Council's best financial interest to do so and where the service area can demonstrate operational efficiencies;</p> <p>c) Any cost to the pension fund must be met by the service area;</p> <p>d) The waiving of any early retirement actuarial reduction (either in part or in full) on compassionate grounds and/or on any grounds will only be considered in exceptional circumstances;</p> <p>e) Requests must be approved by a Director and agreed by the Officer Sub Group in consultation with the Portfolio Holder for Finance and Major Contracts;</p>
<p>Regulation 17 LGPS Regulations 2013 Power to create and maintain a Shared Cost Additional Voluntary Contribution Scheme.</p>	<p>The Council has resolved not to use this discretion.</p>

Employer Discretion	Harrow Council's Policy
<p>Regulation 5 Discretionary Compensation Regulations Power to base redundancy payments on an actual weeks pay where this exceeds the statutory weeks pay limit.</p>	<p>The Council resolved to continue to base redundancy payments on employee's actual weeks pay, where this exceeds the statutory weeks pay limit.</p>
<p>Regulation 6 Discretionary Compensation Regulations Power to award lump sum compensation of up to 104 weeks pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.</p>	<p>For employees made redundant on or after 1 April 2014, Harrow Council will apply the statutory 30 week table to calculate redundancy payments using a multiplier of 2 x actual weekly pay.</p> <p>For employees made redundant on or after 1 April 2015, Harrow Council will apply the statutory 30 week table to calculate redundancy payments using a multiplier of 1.5 x actual weekly pay.</p> <p>LGPS Pension If an employee is age 55 or over and a member of the Local Government Pension Scheme their benefits will be payable immediately provided they have over 2 years month's pensionable membership (3 months pensionable membership for pre April 2014 entrants).</p>
Administering Authority Discretion	London Borough of Harrow Pension Fund
<p>Paragraph 3(13) Transitional Regulations Whether and to what extent to reduce or extinguish the member's pre 1 April 2014 annual pension payment upon new employment with a LGPS Scheme employer.</p>	<p>Augmented pensions (i.e. pensions attributed to an award of compensatory added years) are abated in the event of re-employment with a LGPS Scheme employer.</p>

These discretions available under the above named Regulations are reviewed periodically. Any changes in policy will be communicated to staff within one month of the changes being made.

A current version of this document will always be available either through the Harrow HUB or from the pension office, at:-

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