



# PENSIONS & DISCRETIONS POLICY

St Margaret's at Cliffe Parish Council

This document sets out policy in relation to participation in the Local Government Pension Scheme (LGPS), administered by Kent County Council outlining the overall approach to pensions for eligible staff and includes the required discretions policy in accordance with Regulation 60 of the LGPS Regulations 2013.

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Date of policy	19 <sup>th</sup> June 2025
Approving committee	St Margaret's at Cliffe Parish Council
Date of committee meeting	9 <sup>th</sup> June 2025
Supersedes	Not applicable
Date for next review	July 2028

## **1. Purpose**

This policy sets out the Parish Council's approach to fulfilling its duties as an employer under the Local Government Pension Scheme (LGPS), administered by Kent County Council.

It further intends to:

- Confirm the Council's commitment to LGPS for eligible employees.
- Provide transparency in how the Council will apply certain discretionary powers under the LGPS.
- Ensure compliance with statutory obligations

## **2. Scope**

This policy applies to:

- All eligible employees with a contract of employment.
- For the avoidance of doubt, Councillors are not eligible for the LGPS.

## **3. Policy Statement**

This Parish Council is committed to:

- Providing access to a secure, defined benefit pension scheme.
- Meeting all legal and regulatory obligations under the LGPS.
- Communicating clearly and promptly with employees and the administering authority.
- Maintaining up-to-date records and submitting information in a timely and accurate manner.

## **4. Auto-Enrolment and Eligibility**

In accordance with the Pensions Act 2008 and LGPS regulations:

- All employees with contracts of three months or more are automatically enrolled into the Kent LGPS from their start date.
- Employees with shorter contracts or casual hours will be enrolled if they meet the statutory criteria or request membership.
- Employees may opt out by completing the appropriate form from Kent Pension Fund (not through the employer).

## **5. Contributions**

- Employee contributions are based on actual pensionable pay and determined in accordance with LGPS bands (reviewed annually).
- Employer contributions are set by the Kent Fund Actuary and reviewed every three years.
- The Parish Council pays its contributions monthly, in accordance with the scheme requirements.

## **6. Retirement & Leavers**

The Parish Council complies with the scheme rules around:

- Early retirement (voluntary and ill health),
- Flexible retirement (where available),
- Redundancy or efficiency retirements,
- Death in service benefits.

We support employees in accessing advice from Kent Pension Fund regarding retirement options.

## **7. Discretionary Powers under the LGPS**

Please see Appendix I

## **8. Governance & Review**

This policy will be reviewed:

- At least every three years, or
- When required by changes to legislation or scheme rules, or
- Following any relevant changes to staffing or organisational structure.

## **9. Appendix I**

### **The Local Government Pension Scheme (Administration) Regulations 2013 – St Margaret's Parish Council (the Council) Discretions**

This policy statement clarifies the Council's position on the discretions it can exercise in accordance with the LGPS 2014 regulations and guidance on how they apply to different retirement options.

The policy statement applies to all members of staff who are eligible to be members of the LGPS, as defined in the regulations.

Employees who are members of the pension scheme are only entitled to receive pension benefits if they have 2 years or more service. Under LGPS 2014 Regulation 18, if an employee leaves within 2 years of the start of their employment their contributions can be repaid or transferred to another scheme, unless there is some fraudulent offence or misconduct in connection with the employment.

#### **Principles**

The Council will treat any individual retirement case and decisions on its merits.

Decisions relating to retirement will be made taking into account the business case and business implications, the financial implications, employment law consideration, the regulations and the legality of each case. It may also take into account long term savings, affordability, skills and skills retention and impact on service delivery.

Each decision will be made free from discrimination on the grounds of any protected characterising – age, disability, gender reassignment, marriage or civil partnership, pregnancy & maternity, race, religion and belief, sex, sexual orientation or any other personal criteria.

The Council's decisions relating to retirement and the release of pension benefits will be in line with the current pension regulations. These regulations may be updated from time to time and the Council will default to the regulations if the policy is not explicit on any current or future regulation.

Decisions relating to the release of deferred benefits to former employees will refer to the relevant pension policies applicable at the time of their employment. In such cases, the decision as to the release of deferred benefits will be on a case-by-case basis and will take into account the criteria detailed in these principles. Guidance may be sought from the pension administrators as required.

Compassionate grounds are defined as: circumstances must be exceptional and would not reasonably be expected to prevail i.e. the occurrence of a disaster or accident etc. Financial hardship alone would not normally be deemed sufficient.

#### **Discretions**

Within the regulations there are a few discretionary statements that require the Council to explicitly state their position. The discretions detailed below relate to the current LGPS 2014 regulations and guidance.

#### **Regulation 9 (1) & (3) - Contributions**

The Council will determine the appropriate contribution band for an employee by using the pensionable pay received on 1 April each year and every 3 months thereafter.

Variable time employees will have their initial contribution rate at 1 April 2014 set at 5.5% with a reassessment every 3 months thereafter.

The Council will notify employees of their individual contribution rates by letter each year and thereafter when any changes are made.

#### **Regulation 16 (2)e and (4)d – Shared Cost Additional Pension Contributions (SCAPC)**

It is not the Council's general policy to operate a SCAPC where a scheme member wishes to purchase extra annual pension (up to the limit defined in the regulations).

This does not apply where an scheme member has a period of child related leave or authorised unpaid leave and elects, within 30 days of return to work, to pay a SCAPC to cover the amount of pension 'lost' during the period of absence, The Council are required to contribute 2/3rds of the cost. If an election is made after the 30-day time limit the full costs will be met by the scheme member.

Where it is not possible to provide the scheme member with the information that is needed for them to make their election within the 30-day deadline, The Council will extend the time limit. The scheme member must request this information within 1 month of returning to work and then they must return the election form within one month of the information being provided.

#### **Regulation 30(6) & 30(8) – Flexible Retirement**

It is the Council's policy to provide consent to consider flexible retirement requests only where there are clear financial or operational advantages to the Council.

If consent has been given under Regulation 30 (6) it is not the Council's general policy to waive any actuarial reduction unless there are exceptional circumstances.

Each case will be considered on its merits at a meeting of the Parish Council.

#### **Regulation 30(8) - Waiving of Actuarial Reductions**

It is not the Council's general policy to waive any actuarial reductions applied to benefits paid early or where a scheme member has previously been awarded a deferred benefit.

Each case will be considered on its merits at a meeting of the Parish Council.

#### **Regulation 31 – Award of Additional Pension**

The Council has the discretion to award additional pension (up to the additional pension limit defined in the regulations) to an active member or within 6 months of leaving the scheme to a scheme member who was dismissed on grounds of redundancy or business efficiency.

The Council will only exercise this discretion in exceptional circumstances and only at the discretion of the whole *Parish Council*.

#### **TP Regulations 1(1)(c) of Schedule 2 – whether to allow the rule of 85 to be 'switched on' for members age 55-59**

It is not the Council's general policy to make use of the discretion to 'switch back on' the 85 year rule protections unless there are clear financial or operational advantages to the Council.

Each case will be considered on its merits by a meeting of The Parish Council

**Regulation 17 (1) – Shared Cost Additional Voluntary Contributions (SCAVC)**

The Council will not operate a SCAVC for employees.

**Regulation 21 (5) – In determining Assumed Pensionable Pay whether a lump sum payment made in the previous 12 months is a ‘regular lump sum’.**

The Council will maintain a list which details what the Council considers being a regular lump sum payment made to our employees to be used in the calculation of the Assumed Pensionable Pay

**Regulation 22 (7)(b) & 22 (8)(b) - Aggregation of Benefits**

Employees who have previous LGPS pension benefits in England and Wales will automatically have these aggregated with their new LGPS employment unless they elect within 12 months of commencing membership of the LGPS in the new employment to retain separate benefits. The Council has the discretion to extend this period beyond 12 months, and each case will be considered on its own merits.

**Regulation 100 (6) – Aggregation of Benefits**

If an employee wishes to transfer any pension benefits, they have built up in other schemes to the Local Government Pension Scheme, the election to do so must be made within 12 months of starting a new period of membership. This time limit may be extended if the employee can demonstrate exceptional circumstances so as to justify this.

**NB:** Under Regulation 60(1) of the Local Government Pension Scheme Regulations 2013, it is compulsory for all employers to make a policy decision under Regulation 16, 30(8) and 31 and Paragraph 2(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and amendments) Regulations 2014.

Under Regulation 60(2) a copy of the policies must be sent to the Pensions Section by 30th June 2014 and be publishable to their scheme members on request.

Under Regulation 60(3) employers must keep the policies under review and make any appropriate changes.

Under Regulation 60(4) any amendments to these policies must be made available to the Pensions Section and to scheme members within a month of the date of change.