



BOGNOR REGIS TOWN COUNCIL
Employer
Local Government Pension Scheme
Discretions Policy

Adopted by the Council at its Meeting held on 10th March 2025

BOGNOR REGIS TOWN COUNCIL EMPLOYER TABLE OF DISCRETIONS

Bognor Regis Town Council elects not to publish any non-mandatory Pensions Discretions Policies but will give consideration to these at the appropriate time(s) having regard to a fully costed business case, the specific circumstances in each case and any previous decisions.

Statement of policy

On the Local Government Pension Scheme Regulations (LGPS) 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

This document sets out the scheme employer's policy on the operation of each of the mandatory discretions (and optional discretions where chosen) available under the LGPS Regulations. It states whether or not discretions will be operated and the circumstances and criteria for applying them.

The following discretions apply to members who were actively paying into the scheme as at 1 April 2014 onwards

PART A - Mandatory Discretions

Power to award additional pension Regulation 31
<p>Whether, at the full cost to the Scheme employer, to grant extra annual pension of up to £8,344 (figure as at 1 April 2024) to an active member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency [regulation 31 of the LGPS Regulations 2013]</p> <p><i>*IMPORTANT NOTE: The amount of additional pension that can be awarded will increase each April.</i></p> <p><i>In your policy you must decide:</i></p> <ul style="list-style-type: none"><i>• if you will consider awarding additional pension to a member, and</i><i>• the circumstances in which you will consider awarding additional pension</i>
Employer Policy Decision
<p>In respect of redundancy and business efficiency, additional membership will only be used in exceptional and compelling circumstances and where there will be significant benefits to Bognor Regis Town Council.</p> <p>(Existing Policy)</p>

Shared cost additional pension contributions Regulation 16(2e) (4d)
Whether, how much, and in what circumstances to contribute to a Shared Cost APC scheme.
<p>Whether, where an active member wishes to purchase extra annual pension of up to £8,344 (figure as at 1 April 2024), by making additional pension contributions (APCs), to voluntarily contribute towards the cost of purchasing that extra pension via a shared cost additional pension contribution (SCAPC) [regulations 16(2)(e) and 16(4)(d) of the LGPS Regulations 2013].</p> <p>Note: This does not include instances where the employee is paying for lost pension via an APC where the election was made in the first 30 days (or longer if the employer allows) – in this circumstance the employer must pay two-thirds of the cost of such purchase.</p> <p>EXPLANATION</p> <p><i>Where an employee has elected to pay Additional Pension Contributions (APCs) an employer can elect to fund part or the entire employees share of the contributions.</i></p> <p><i>In your policy you must decide:</i></p> <ul style="list-style-type: none"> • <i>if you would consider contributing to a shared cost APC,</i> • <i>in what circumstances you would enforce this discretion, and,</i> • <i>how much you would contribute.</i> <p><i>Note: this discretion only relates to cases where the member is working as normal rather than being on authorised leave without pay. For cases where members are on authorised leave without pay e.g. as a result of an approved career break or unpaid additional maternity leave the employer must fund 2/3rds of the contribution if the member makes an election within 30 days of returning to work.</i></p>
Employer Policy Decision
<p>Employees may elect to pay additional pension contribution into a scheme established by the Pension fund. The Council will not normally contribute towards the cost of purchasing extra pension via a Shared Cost Additional Pension Contribution entered into or after April 2014.</p> <p>(Existing Policy)</p>

Whether to allow flexible retirement (Regulation 30 (6)) & TP11(2) & R30(8)

Whether to allow flexible retirement for staff aged 55 or over who, with the agreement of the Scheme employer, reduce their working hours or grade [regulation 30(6) of the LGPS Regulations 2013] and, if so, as part of the agreement to allow flexible retirement:

- Whether, in addition to the benefits the member has built up prior to 1 April 2008 (which the member must draw), to allow the member to choose to draw:
 - I. All, part or none of the pension benefits they built up after 31 March 2008 and before 1 April 2014, and / or
 - II. All, part or none of the pension benefits they built up after 31 March 2014 [regulations 11(2) and 11(3) of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014], and
- Whether to waive, in whole or in part, any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age (NPA) [regulation 3(5) of the LGPS Transitional Provisions, Savings and Amendment) Regulations 2014, regulation 18(3) of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and regulations 30(6) and 30(8) of the LGPS Regulations 2013].

Members must therefore consider :

- *if you will consider granting flexible retirement,*
- *the circumstances in which flexible retirement will be awarded, and*
- *whether to waive any reduction that will be applied to the members benefits. There will be a direct cost to the employer.*

Employer Policy Decision

i) Whether to allow flexible retirement.

With regard to flexible retirement, Bognor Regis Town Council will consider each request on a case by case basis. The Town Council's policy aims to help employees phase into their retirement. Partial/flexible retirement lets employees continue working on reduced hours or reduced grade basis and depending on when their membership of the LGPS commenced and draw all, part or none of their accrued pension benefits subject to certain qualifying criteria. To be eligible to make a request for Flexible Retirement under the LGPS regulations, the employee must :

- **Be actively making contributions to the LGPS**
- **Be aged 55 or over**
- **Have two years or more membership in the LGPS**
- **Be taking at least a 20% reduction in your hours and/or your salary**

(Existing Policy)

- ii) Whether to allow the member to choose to take
a. part or none of the pension benefits they built up after 31 March 2008 and before 1 April 2014, and / or

Bognor Regis Town Council will permit a member to draw all, or part of the pension benefits they accrued before 1 April 2014 so long as this complies with the Flexible Retirement Policy.

- b. all, part or none of the pension benefits they built up after 31 March 2014.

Bognor Regis Town Council will permit a member to draw all, or part of the pension benefits they accrued on or after 1 April 2014 so long as this complies with the Flexible Retirement Policy.

(New Policy)

- iii) Whether to waive, in whole or in part, any actuarial reductions which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age.

Bognor Regis Town Council has a Flexible Retirement Policy which states that Flexible Retirement will be at no additional cost to the Council. Bognor Regis Town Council will not therefore waive any actuarial reduction.

(New Policy)

Switching on the 85-year rule

[paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014]

Whether to “switch on” the 85-year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

Members are now able to voluntarily retire between ages 55 and 60. If they were a member of the LGPS on 30 September 2006 then some of their benefits could be protected from reductions applied to early payment under the 85-year rule. This rule only applies automatically to members voluntarily retiring from age 60 but the employer has the discretion to “switch it on” for voluntary retirements between age 55 and 60.

This discretion does not apply to flexible retirement (see [Regulation 30\(6\)](#)) whereby the 85-year rule is always switched on.

Where the employer does not choose to “switch on” the rule, then:

- a) If the member has already met the 85 year rule, the member’s benefits are to be reduced in accordance with actuarial guidance issued by the Secretary of State (with the benefits from any pre 1 April 2008 membership for members who will not be 60 or more on 31 March 2016, and benefits from any pre 1 April 2016 membership for members who will be 60 or more on 31 March 2016, which would not normally have been subject to an actuarial reduction nonetheless being subject to a reduction calculated by reference to the period between the date the benefits are drawn and age 60) [paragraphs 1(2) and 1(4) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014], or
- b) If the member has not already met the 85 year rule, the member’s benefits are to be reduced in accordance with actuarial guidance issued by the Secretary of State (with the reduction on that part of the member’s benefits subject to the 85 year rule being calculated by reference to the period between the date the benefits are drawn and age 60, or the date of attaining the 85 year rule, whichever is the later), and
- c) The Scheme employer can exercise a discretion to waive any actuarial reductions (including where an actuarial reduction may still be applied to a member’s benefits after ‘switching back on’ the 85-year rule in full) (at cost to the Scheme employer, via an employer strain charge).

In making this policy decision members must decide:

- *if you will consider switching the 85 year rule on for this group of members which may result in a direct cost for the employer.*

Employer Policy Decision

Where a member meets the criteria for the 85-year rule and wishes to retire on or after age 55 and before age 60, the Council will only grant such an application in exceptional circumstances. Each application will be considered on its merit on compelling compassionate grounds following consideration of a fully costed business case.

An employee may voluntarily retire from the age of 55. The Council will not consider switching the 85 rule on for this group of members where it will result in a direct net cost to the Council.

(New Policy)

Waiving of actuarial reductions

Regulation 30(8), TP3(1), TPSch 2, para 2(1), B30(5) and B30A(5)

Whether to waive, in whole or in part, any actuarial reductions on benefits which a member voluntarily draws before normal pension age (other than on the grounds of flexible retirement).

Employers can agree to waive any actuarial reductions due in the case of employees retiring any time after age 55. For active members voluntarily retiring on or after age 55 and before Normal Pension Age (NPA), who elect under regulation 30(5) of the LGPS Regulations 2013 to immediately draw benefits, and for deferred members and suspended tier 3 ill-health pensioners who elect under regulation 30(5) of the LGPS Regulations 2013 to draw benefits (other than on ill health grounds) on or after age 55 and before NPA.

There are 4 member groups which you would be making the discretions policy on, the below covers in what circumstance reductions can be waived and to which benefits these would apply:

Group 1 - Members joined before 1 October 2006 and who reached 60 before 1 April 2016

- To waive on compassionate grounds, any actuarial reductions applied to benefits built up before 1 April 2016, and/or
- To waive, in whole or in part, on any grounds, actuarial reductions applied to benefits built up after 31 March 2016.

Group 2 - Members joined before 1 October 2006 and who reach age 60 between 1 April 2016 and 31 March 2020 and also meet their critical retirement age before 1 April 2020 (date member meets the 85-year rule).

- To waive on compassionate grounds, any actuarial reductions applied to benefits built up before 1 April 2020, and/or
- To waive in whole or in part on any grounds, actuarial reductions applied to benefits built up after 31 March 2020.

Group 3 - Members joined before 1 October 2006 and who reach age 60 after 31 March 2020 (or who would reach age 60 between 1 April 2016 and 31 March 2020 and don't meet their critical retirement age before 1 April 2020 (date member meets the 85-year rule)

- To waive on compassionate grounds, any actuarial reductions applied to benefits built up before 1 April 2014, and/or
- To waive, in whole or in part on any grounds, actuarial reductions applied to benefits built up after 31 March 2014.

Group 4 - Members joined after 1 October 2006

- To waive on compassionate grounds, any actuarial reductions applied to benefits built up before 1 April 2014, and/or
- To waive, in whole or in part on any grounds, actuarial reductions applied to benefits built up after 31 March 2014.

Employers should also note that the strain cost of any such retirements would need to be met by the employer and paid into the Pension Fund at the appropriate time.

Members must consider whether to waive any actuarial reductions for a member voluntarily drawing benefits before NPA (other than on the grounds of flexible retirement), as outlined above.

Employer Policy Decision

The Council will consider waiving actuarial reduction of benefits on compassionate grounds for all the above-mentioned groups.

Compassionate grounds are likely to be considered as follows:

- Looking after a sick relative.
- Ill health where payment of unreduced benefits might not be certified.
- Other exceptional compassionate grounds.

Where the Council decide to consider waiving actuarial reduction of benefits, each case will be considered on an individual basis and will require the agreement of the Policy and Resources Committee

(New Policy)

The following discretions apply to members who left the scheme between 1 April 2008 and 31 March 2014

Whether to “switch on” the 85-year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60 [paragraph 1(1)(c) & 1(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014]

Whether to “switch on” the 85-year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.

A member with a deferred benefit who left the scheme voluntarily between 1 April 2008 – 31 March 2014 and who has subsequently become a deferred pensioner may now claim their benefits from age 55 without their employer’s consent. However, these benefits will be reduced for early payment.

Where a member has reached the 85-year rule at the point of retirement, an employer can consent to switching on the 85-year rule. Any ‘strain’ to the Fund will be payable immediately by the Scheme employer.

In this policy decision members must consider that as a consequence of flexible retirement there may be a reduction to the benefit paid where the employee does so before the age of 65.

Employer Policy Decision

As a consequence of flexible retirement there may be a reduction to the benefit paid where the employee does so before the age of 65.

The Council does not exercise the discretion to “switch on” the 85-year rule upon the voluntary early payment of deferred benefits and therefore the Council will not waive any reduction that will be applied to the members benefits where there is a cost to The Council.

(New Policy)

Whether to ‘switch on’ the 85-year rule upon the voluntary early payment of a suspended tier 3 ill health pension?

[paragraph 1(1)(c) & 1(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014]

Whether to “switch on” the 85-year rule for a member with a suspended tier 3 ill-health pension voluntarily drawing benefits (on or after 14 May 2018) on or after age 55 and before age 60.

Where a member has reached the 85-year rule at the point of retirement, an employer can consent to switching on the 85-year rule. Any ‘strain’ to the Fund will be payable immediately by the Scheme employer.

Employer Policy Decision

The Council does not exercise the discretion to “switch on” the 85-year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60 or upon the voluntary early payment of a suspended tier 3 ill health pension .

(New Policy)

Whether to waive upon the voluntary early payment of deferred benefits any actuarial reduction on compassionate grounds?

[regulation 30(5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and paragraph 2(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014]

A member with a deferred benefit who left the scheme voluntarily between 1 April 2008 – 31 March 2014 may now claim their benefits from age 55 without their employer's consent. However, these benefits will be reduced for early payment.

An employer can consent to waiving any reductions, on compassionate grounds, that would normally be applied to deferred benefits which are paid before age 65.

Employer Policy Decision

The Council will consider waiving actuarial reduction of deferred benefits paid early on compassionate grounds, where a member retires voluntarily on or after age 55.

Circumstances likely to be considered are:

- **Looking after a sick relative**
- **Ill health where payment of unreduced benefits might not be certified.**
- **Other exceptional compassionate grounds**

Each case will be considered on an individual basis and will require the agreement of the Policy and Resources Committee

(New Policy)

Whether to waive upon the voluntary early payment of a suspended tier 3 ill health pension, any actuarial reduction on compassionate grounds?

[regulation 30A(5) of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and paragraph 2(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014]

A member with a suspended tier 3 ill health pension and who left the scheme between 1 April 2008 – 31 March 2014 may now claim for their pension to be brought back into payment from age 55 without their employer's consent. However, these benefits will be reduced for early payment.

An employer can consent to waiving any reductions, on compassionate grounds, that would normally be applied to deferred benefits which are paid before age 65.

Employer Policy Decision

The Council will waive upon the voluntary early payment of a suspended tier 3 ill health pension, any actuarial reduction on compassionate grounds.

Each case will be considered on an individual basis and will require the agreement of the Policy and Resources Committee

(New Policy)

The following discretions apply to members who left the scheme between 1 April 1998 and before 1 April 2008

Whether to ‘switch on’ the 85-year rule upon the voluntary early payment of deferred benefits

[paragraph 1 (1) (f) & 1 (2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) regulations 2014]

Whether, as the 85-year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their deferred benefits (on or after 14 May 2018) on or after age 55 and before age 60, to switch the 85-year rule back on in full for such members.

Deferred members who left the scheme after 1 April 1998 are now able to voluntarily retire between ages 55 and 60. If they were a member of the LGPS on 30 September 2006 then some of their benefits could be protected from reductions applied to early payment under the 85-year rule. This rule only applies automatically to members voluntarily retiring from age 60 but the ceding employer has the discretion to “switch it on” for voluntary retirements between age 55 and 60.

Where the employer does not choose to “switch on” the rule, then benefits built up would be subject to reduction in accordance with actuarial guidance issued by the Secretary of State regardless of whether a member meets the rule or not.

If the employer does agree to “switch on” the 85-year rule, the employer will have to meet the cost of any strain on fund resulting from the payment of benefits before age 60 i.e. where the member has already met the 85-year rule or will meet it before age 60.

Employer Policy Decision

The Council does not exercise its discretion to “switch on” the 85-year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.

(New Policy)

Whether to grant applications for the early payment of pension benefits on or after age 50 and before age 55

[regulation 31(2) of the LGPS Regulations 1997].

Whether to grant application for early payment of deferred benefits on or after age 50 and before age 55.

A member with a deferred benefit who left the scheme between 1 April 1998 – 31 March 2008 can claim their benefits from age 50 with their employer's consent.

However, these benefits may be reduced for early payment and/or be subject to an unauthorised payment charge under the Finance Act 2004.

Employer Policy Decision

Where there are significant circumstances on compassionate grounds, the Council will consider an application for early payment of deferred benefits on or after age 55 and before age 60.

The decision to grant early retirement will require a decision by the Policy and Resources Committee.

(New Policy)

Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits

[regulation 31(5) of the LGPS Regulations 1997 and paragraph 2(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014].

Whether to waive any actuarial reduction on compassionate grounds which would normally be applied to benefits which are paid before age 65.

Employers should note that the strain cost of any such retirements would need to be met by the employer and paid into the Pension Fund at the appropriate time.

Employer Policy Decision

The Council will consider waiving actuarial reduction of deferred benefits paid early on exceptional compassionate grounds, where a member retires voluntarily on or after age 55. Circumstances likely to be considered are:

- Looking after a sick relative
- Ill health where payment of unreduced benefits might not be certified.
- Other exceptional compassionate grounds

Each case will be considered on an individual basis and will require the agreement of the Policy and Resources Committee.

(New Policy)

The following discretions apply to members who ceased active membership before 1 April 1998

Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before NRD on compassionate grounds [regulation D11(2)(c) of the LGPS Regulations 1995].

Whether to grant early payment of a deferred benefit on compassionate grounds, on or after age 50 and before NRD.

If granted, these benefits may be reduced for early payment and/or be subject to an unauthorised payment charge under the Finance Act 2004.

Employer Policy Decision

The Council will consider granting an application for early payment of deferred benefits on or after age 50 for a pre-1.4.98 leaver only on compassionate grounds.

Where the Council decide to consider granting an application, each case will be considered on an individual basis and will require the agreement of the Policy and Resources Committee.

(New Policy)

- These policies may be subject to review from time to time. Any subsequent change in this Policy Statement will be notified to affected employees.
- If the employer decides to amend the policy, no change can come into effect until one month has passed since the date the amended policy statement was published.
- Any changes to this policy will be notified to the Hampshire Pension Services within 1 month of the change.

For the full list of discretions policies go to: <http://lgpslibrary.org/assets/gas/ew/DISCLv1.6c.pdf>

Signed on behalf of: **BOGNOR REGIS TOWN COUNCIL**

Completed by: **Glenna Frost** Position: **Town Clerk**

Signature:

Glenna Frost

Date: **10 03 2025**