

## Appendix 3

### Ealing Council

#### Pay Policy Statement for the financial year 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021

#### Policy Statement

#### Local Government Pension Scheme – Discretions Policy, Ealing Council 2015

### **1. Introduction & Scope**

The Local Government Pension Scheme Regulations 2013 (“the regulations”) quoted in sections 2 to 8 below require each local authority to formulate, publish and keep under review their policies on compensation. Where the regulations detailed in this policy statement cover current employees, this means applicable to all Ealing Council employees eligible for membership of the Local Government Pension Scheme (LGPS). Schools will be provided with a copy of this policy and can choose to adopt it or set their own policy. This policy will be effective from 1<sup>st</sup> November 2015.

### **2. Discretions from 1<sup>st</sup> April 2014 in relation to post 31<sup>st</sup> March 2014 active members (excluding councillor members) and post 31<sup>st</sup> March 2014 leavers (excluding councillor members), being discretions under:**

The Local Government Pension Scheme Regulations 2013 [prefix **R**]

The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [prefix **TP**]

The Local Government Pension Scheme (Administration) Regulations 2008 [prefix **A**]

The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [prefix **B**]

The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix **T**]

The Local Government Pension Scheme Regulations 1997 (as amended) [prefix **L**]

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
1.	Whether to grant additional pension to an active member by up to £6500.00 (this figure will increase each year in line with pension increases)	<b>R31*</b>	The council will not award additional pension apart from in exceptional circumstances*. The employer will be responsible for paying the full pension costs.
2.	Whether, how much and in what circumstances to contribute to a shared cost Additional Voluntary Contribution (AVC) scheme.	<b>R16(2)e* &amp; R16(4)(d)*</b>	The council does not provide a shared cost AVC scheme.
3.	Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)	<b>R30(6)* &amp; TP11(2)</b>	Members who take a one grade reduction or reduce their working hours, by a minimum of 20%, of any employment may, with the Council's consent, elect to receive their benefits if they are aged 55 and above. The decision whether

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
			to consent to flexible retirement is at the council's sole discretion and will be related to factors such as costs and business service needs.
4.	<p>Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement</p> <p>Whether in addition to the benefits accrued prior to 1/4/2008 (which the member must draw) to permit the member to choose to draw,</p> <p>i) All, part or none of the pension benefits they accrued after 31/03/2008 and before 0 1/04/2014.</p> <p>ii) All, part or none of the pension benefits they accrued after 31/3/2014</p>	<b>R30(8)*</b>	<p>The actuarial reduction will not be waived save in exceptional circumstances* and where a justifiable business case is in place. The decision whether to waive the actuarial reduction is at the council's sole discretion and will be related to factors such as costs and business service needs.</p> <p>Discretion will be given to the member to draw some or all of their post 2008 benefit entitlement.</p>
5.	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age	<b>R30(8)*</b>	Where agreement to immediate payment of the member's benefits is approved, the council also has the discretion to waive the potential actuarial reduction. The actuarial reduction will not be waived save in exceptional circumstances* and where a justifiable business case is in place. The decision whether to waive the actuarial reduction is at the council's sole discretion and will be related to factors such as costs and business service needs.
6.	<p>Whether to require any strain on Fund costs to be paid "up front" by the employing authority, following payment of benefits under <b>R30 (6)</b> (flexible retirement), <b>R30 (7)</b> (redundancy / business efficiency).</p> <p>Or to waive (in whole or in part) under <b>R30 (8)</b> any actuarial reduction that would otherwise have been applied to benefits which a member voluntarily draws before normal pension</p>	<p><b>R68(2)</b></p> <p><b>TPSch 2, Para. 2(3)</b></p>	Departments have the choice of whether to have the full cost deducted from their budget in the current year or to spread the cost over the following five years. Please note there will be an additional charge determined by the pension fund actuaries if the cost is spread over more than one year.

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
	<p>age, or to benefits drawn on flexible retirement.</p> <p>Whether to require any strain on Fund costs to be paid “up front” by employing authority following flexible retirement under R30 (6) or waiver of actuarial reduction under TPSch2, Para. 2 (1) or release of benefits before age 60 under B30 of B30A</p>		
7.	<p>Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.</p>	<p><b>TPSch 2, Para. 1(2) and 2(2)*</b></p>	<p>Save in exceptional circumstances* and where a justifiable business case is in place the Council will not agree that paragraph 1(3) of TP Sch2 will apply to employees who are 55 or over, but under 60 at the time of making a request for benefits under regulation 30(5). The relevant department will fund any costs arising from switching on the 85 year rule.</p>
8.	<p>Whether to waive any actuarial reduction on pre and/or post April 2014 benefits (those 55 years of age or over)</p>	<p><b>TP3 (1), TPSch 2, Para. 2(1) and 2(2), B30(5) and B30A(5)*</b></p>	<p>Waiving of actuarial reductions and the application of 85 year rule protections will be considered only where there is a clear financial or operational advantage in so doing.</p> <p>A request for early unreduced payment of benefits on compassionate grounds (i.e. waiving of percentage reduction in respect of early retirement on compassionate grounds) will normally be considered only where the former member is prevented from full-time working due to the need to provide long term care for a dependent.</p>
9.	<p>Whether, how much, and in what circumstances to contribute to shared cost AVC arrangement entered into on or after 1/4/2014.</p> <p>Whether, how much, and in what circumstances to contribute to shared cost AVC arrangement entered into before</p>	<p><b>R17(1) &amp; definition of SCAVC in RSch 1</b></p> <p><b>TP15(1)(d) &amp; A25(3)</b></p>	<p>The council does not provide a shared cost AVC scheme.</p> <p>The council does not provide a shared cost AVC scheme.</p>

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
	1/4/2014.		
10.	Extend normal time limits for acceptance of a transfer value beyond 12 months from joining the LGPS.	<b>R100(6)</b>	Only where a service failure has occurred, will the council accept requests to transfer in previous service beyond one year of the members start date with the council.
11.	Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment.  Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with an ongoing concurrent employment	<b>R22(8)(b)</b>  <b>R22(7)(b)</b>	Only where a service failure has occurred, will the council accept elections beyond one year of the members start date with the council.  Only where a service failure has occurred, will the council accept elections beyond one year of the members start date with the council.
12.	Determine the rate of employees' contributions.	<b>R9(1) &amp; R9(3)</b>	The council will review the contribution rate for all members on an annual basis, using the contractual earnings as at 1 <sup>st</sup> April plus any additional payments as detailed in regulation 20 of the 2013 regulations, whilst the employee remains in the same post.  If an employee changes their post** within the year, the pension contribution rate will be determined using the new contractual earnings.
13.	Abatement	<b>TP3(13) &amp; A70(1)* &amp; A71(4)(c)</b>	With effect from 1 <sup>st</sup> April 2014, where an individual already in receipt of a local government pension is re-employed by a Local Authority or associated body and has access to the local government pension scheme, on or after 1 <sup>st</sup> April 2014 the council will no longer abate any pension benefits.
14.	Certificate of Continuing Entitlement to Pension Benefits		The council will, in accordance with Section 151 of the Local Government Act 1972 send out annual certificates seeking

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
			confirmation of continued entitlement. Non receipt will result in suspension of benefits.
15.	Child in continuous education or vocational training	<b>RSch 1 &amp; TP17(9)</b>	The council will not regard a period of less than 12 complete months as a break in the period of education or training. No benefits will be paid during the break in full time education or training.
16.	Death Grant	<b>TP17(5) to (8) &amp; R40(2), R43(2) &amp; R46(2)</b>	The member's nominated beneficiary shall, in all but exceptional cases, be the recipient of the death grant

**3. Discretions in relation to scheme members (excluding councillor members) who ceased active membership on or after 1<sup>st</sup> April 2008 and before 1<sup>st</sup> April 2014, being discretions under:**

The Local Government Pension Scheme (Administration) Regulations 2008 [prefix **A**]

The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [prefix **B**]

The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix **T**]

The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 [prefix **TP**]

The Local Government Pension Scheme Regulations 2013 [prefix **R**]

The Local Government Pension Scheme Regulations 1997 (as amended) [prefix **L**]

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
17.	Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60	<b>B30(2)*</b>	A request from a former member aged between 55 and 59 for the early payment of their deferred benefits other than on compassionate grounds or by the reason of permanent ill health, will only be accepted where there is no cost or other financial disadvantage to the council  If discretion to release benefits is exercised, payment of the benefit will be effected from the date of the member's application.
18.	Whether to waive, on compassionate grounds, the actuarial reduction applied to	<b>B30(5)*</b>	Individual cases will be assessed on their own merits with the decision taken by the decision maker***.

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
	deferred benefits paid early under B30		
19.	Whether to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60	<b>B30A(3)*</b>	The council will grant application for early payment of suspended tier 3 benefits
20.	Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A (suspended tier 3 ill health pension)	<b>B30A(5)*</b>	Individual cases will be assessed on their own merits with the decision taken by the decision maker***.
21.	Whether, for a member leaving on the grounds of redundancy or business efficiency on or before 31st March 2014, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving. Hence this discretion is spent entirely after 30th September 2014.	<b>B12*</b>	Augmentation will not be considered by the council.

**4. Discretions under the Local Government Pension Scheme Regulations 1997 (as amended) in relation to:**

**a) Active councillor members,**

**b) Councillor members who ceased active membership on or after 1<sup>st</sup> April 1998,**

**c) Any other scheme members who ceased active membership on or after 1<sup>st</sup> April 1998 and before 1<sup>st</sup> April 2008.**

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
22.	Grant application from a post 31.03.98/pre 01.04.08 leaver or from a councillor for early payment of benefits on or after	<b>31(2)*</b>	A request from a former member aged between 55 and 59 for the early payment of their deferred benefits other than on compassionate grounds or by the reason of permanent ill health, will only be accepted where there is no cost or other

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
	age 50/55 and before age 60.		financial disadvantage to the council.  If discretion to release benefits is exercised, payment of the benefit will be effected from the date of the member's application.
23.	Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early for a post 31.03.98/pre 01.04.08. leaver or a councillor leaver	31(5)*	Individual cases will be assessed on their own merits with the decision taken by the decision maker***.

**5. Discretions under the Local Government Pension Scheme Regulations 1995 (as amended), in relation to scheme members who ceased active membership before 1<sup>st</sup> April 1998.**

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
24.	Grant application from a pre: 01.04.98 leaver for early payment of deferred benefits on or after age 50 on compassionate grounds.	D11(2)(c)	For members aged over 55, the employer had the discretion to allow early payment of benefits on compassionate grounds. In all cases, if the deferred member left prior to 1 <sup>st</sup> April 1998 and the release of benefits is agreed, the benefits are paid on an "unreduced" basis.

**6. Discretions under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended)**

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
25.	To base redundancy payments on actual weeks pay where this exceeds the statutory week's pay limit.	5	The council will calculate redundancy pay using the Government statutory entitlement table to assess the number of weeks of redundancy pay. The payment will be then calculated using the actual weekly rate of pay for the individual as opposed to the statutory maximum weekly rate.  For employees at or below spinal column point 17, a payment based on the rate at spinal column point 17 or the employee's actual pay whichever is higher

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
26.	To award lump sum compensation of up to 104 week's pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.	6	<p>The maximum payment that can be awarded under the regulations is 104 week's pay.</p> <p>Any payment authorised includes (and is not in addition to) any entitlement to a redundancy payment.</p> <p>At its sole discretion, the council may decide that a payment is conditional upon the employee entering into a Settlement Agreement on the council's standard terms.</p>

**7. Discretions under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)**

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
27.	<p>Whether and to what extent to reduce or suspend the member's annual compensatory added years payment during any period of re-employment in local government</p> <p>How to reduce the member's annual compensatory added years payment following the cessation of a period of re-employment in local government</p>	<p>17</p> <p>19</p>	<p>In accordance with the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)</p> <p>In accordance with the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)</p>
28.	How to apportion any surviving spouses or civil partner's annual compensatory added years payment where the deceased person is survived by more than one spouse or civil partner	21(4)	An equal share of the payment will be made where there are multiple spouses or civil partners.
29.	Whether, in respect of the spouse of a person who ceased	21(7)	Payments will continue to be made.



	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
	employment before 1 <sup>st</sup> April 1998 and where the spouse or civil partner remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal pension suspension rules should not be applied i.e. whether the spouse's or civil partner's annual compensatory added years payments should continue to be paid		

**8. Discretions under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011**

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
30.	<p>Whether to grant an injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.</p> <p>Whether to grant an injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.</p> <p>Whether to grant an injury allowance to the spouse, civil partner, nominated co- habiting partner or dependent</p>	<p>3(1)</p> <p>4(1)</p> <p>7(1)</p>	See the Council's Injury Allowance Policy.

	<b>Discretion</b>	<b>Regulation</b>	<b>Decision</b>
	of an employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.		
31.	<p>Amount of injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.</p> <p>Amount of injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.</p> <p>Determine amount of any injury allowance to be paid under regulation 7(1)</p>	<p>3(4) and 8</p> <p>4(3) and 8</p> <p>7(2) and 8</p>	See the Council's Injury Allowance Policy

### **Glossary of Terms (for decisions section)**

*	Exceptional Circumstances	Discretions will only be granted with the prior approval of the decision maker and only where there is a clear financial or operational advantage to be gained by the Authority by doing so.
**	Change of Post	Where a change in the duties, tasks or functions that were previously carried out under an existing employment contract,
***	The Decision Maker	<p>Any decision to award a payment made under this policy will be authorised by:</p> <ol style="list-style-type: none"> <li>1. For the Head of Paid Service, Chief Officers and Deputy Chief Officers (as defined in the Local Government and Housing Act 1989),</li> </ol>

		<p>the Chief Officer Panel (to make decisions in accordance with its normal voting arrangements). The power to make an award can only be exercised after consideration of a report prepared for this purpose by the Director of HR &amp; OD and the Chief Finance Officer.</p> <p>In all cases for Chief Officers, the views of the Council's appointed auditors will be sought in advance of any decision and their reply will be reported to the Chief Officer panel.</p> <p>2. For officers below Deputy Chief Officer level (as defined in the Local Government and Housing Act 1989), the Director of HR &amp; OD in consultation with the Chief Finance Officer and the relevant service Director.</p> <p>Before reaching a decision, the decision maker must be satisfied that the employee has had a reasonable opportunity to supply written representations and relevant documents. The decision maker must also consider any relevant contractual or statutory provisions. Where consideration is given to exercise this power the decision maker will seek legal advice prior to entering into any commitment on behalf of the Council.</p> <p>For schools based staff the decision maker will be the School Governing Body.</p>
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