

LOCAL GOVERNMENT PENSION SCHEME POLICY STATEMENT

1st APRIL 2014

Policy Statement for all Eligible Employees

Under the Local Government Pension Scheme Regulations, each scheme Employer must publish and keep under review a Statement of Policy to explain how it will apply certain discretions allowed under the Pension Regulations.

This Statement is applicable to all individuals, excluding Councillors of Solihull Metropolitan Borough Council (The Council), who are eligible to be members of the Local Government Pension Scheme (LGPS).

Discretions to be applied under the LGPS Regulations 2013 and LGPS (Transitional Provisions and Savings Regulations 2014).

REGULATION 16(2)e and REGULATION 16(4)d

Explanation

Where an active scheme member wishes to purchase extra annual pension of up to £6,500 (figure as at 1st April 2014) by making Additional Pension Contributions (APCs), the Employer can choose to contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).

Policy

The Council has not introduced a Shared Cost Additional Pension Contribution (SCAPC).

REGULATION 30(6) and TP11(2)

Explanation

A member who is aged 55 or over and, with their Employer's consent, reduces their hours and/or grade, can then, but only with the agreement of the Employer, make an election to the administering authority for all or part payment of their accrued benefits without having retired from that employment.

If payment of benefits occurs before age 65, the benefits are actuarially reduced in accordance with guidance issued by the government actuary.

The Employer may choose to waive the reduction in whole or in part. If the Employer chooses to do so, then the cost of waiving the reduction in whole or in part has to be paid to the fund.

Policy

Each specific case will be judged on its own merits, having fully considered service delivery and financial costs.

This discretion will be exercised by the Director of Resources within his/her delegated authority or, if appropriate, the Council's Remuneration Committee.

REGULATION 30(8)

Explanation

The Employer has discretion to waive any actuarial reductions that would otherwise apply under Regulation 30(5) and Regulation 30(6) for active members, deferred members and suspended tier 3 ill-health pensioners who elect to receive early payment of benefits prior to normal pension age.

Policy

Each specific request will be assessed on its own merits. Where the Council determines that the benefits should not be reduced the cost would need to be funded by a lump-sum contribution into the pension fund. This discretion will only be exercised in cases where it can be demonstrated that the Council can fund the cost of release within a three year period.

This discretion will be exercised by the Director of Resources within his/her delegated authority or if appropriate the Council's Remuneration Committee.

TP REGULATION 1(1)(c) of SCHEDULE 2

Explanation

The Employer has discretion to apply the 85 year rule protection to members who choose to voluntarily draw their benefits on or after age 55 and before age 60, (under paragraph 1(1)(c) or Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

Policy

The Council has not approved "switching on" of the 85 year rule.

Waiving of actuarial reductions will only be considered where there is a clear financial or operational advantage to the Council.

This discretion is exercised by the Director of Resources within his/her delegated authority or, if appropriate, the Council's Remuneration Committee.

REGULATION 31

Explanation

The Employer has discretion to grant extra annual pension of up to £6,500 to an active scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.

Policy

The Council will judge each case on its merits, having fully considered service delivery and financial costs.

This discretion is exercised by the Council's Remuneration Committee.

**DISCRETIONS TO BE APPLIED UNDER THE LOCAL GOVERNMENT (EARLY
TERMINATION OF EMPLOYMENT) (DISCRETIONARY COMPENSATION)
(ENGLAND AND WALES) REGULATIONS 2008**

**REGULATION 5 (POWER TO INCREASE STATUTORY REDUNDANCY PAYMENTS) ABOVE THE
WEEKLY PAY LIMIT CONTAINED WITHIN THE EMPLOYMENT RIGHTS ACT 1996**

Explanation

Employers have the discretion to use actual weekly pay, if this is greater than the statutory maximum weekly pay, contained within the Employment Rights Act 1996 (as amended) when calculating a redundancy payment.

Policy

The Council will use actual weekly pay, if this is greater than the maximum stated in the act, for the purposes of calculating a redundancy payment.

REGULATION 6 (DISCRETIONARY COMPENSATION FOR REDUNDANCY)

Explanation

Employers have the discretion to pay compensation up to a maximum of 104 weeks pay to an employee who ceases to be employed by reason of redundancy. This applies only where the council has not awarded an increase in total pension membership under regulation 12(b) of the Local Government Pension Scheme Regulations 1997 (as amended). Where a redundancy payment under the Employment Rights Act 1996 (as amended) (ERA), is also made then the equivalent to it shall be deducted from the compensation.

Policy

The Council will pay compensation at a level of 2 times the number of weeks' redundancy as calculated using the Statutory Redundancy Payments ready reckoner (occurring on or after 1 October 2006) up to a maximum of 60 weeks.

Where a redundancy payment is also made under the ERA then the equivalent to it shall be deducted from the above compensation.

**OCCUPATIONAL PENSIONS SCHEMES (INTERNAL DISPUTE RESOLUTION PROCEDURES
REGULATIONS 1996 (AS AMENDED))**

Explanation

Responsibility for determinations of complaints regarding awards made under the Local Government Early Termination of Employment) (Discretionary Compensation) England and Wales) Regulations 2008 (as amended) now rest with your Employer. Your Employer must specify the job title and address of the person to whom applications should be directed. In the first instance you should write to the "stage 1" person, if you are then still dissatisfied with that decision you may write to the "stage 2" person.

Name of Employer: Solihull Metropolitan Borough Council.
The "stage 1 person" is: Mr Adrian Cattell
Head of Human Resources
Solihull Metropolitan Borough Council
Council House
Manor Square
Solihull
West Midlands B91 3QB

The "stage 2 person" is: Mr Paul Johnson
Director of Resources
Solihull Metropolitan Borough Council
Council House
Manor Square
Solihull
West Midlands B91 3QB

DISCRETIONS TO BE APPLIED UNDER THE LGPS (BENEFITS, MEMBERSHIP AND CONTRIBUTIONS) REGULATIONS 2007 (AS AMENDED)

REGULATION 30A(3) Reg (MEMBER'S REQUEST FOR RE-INSTatement OF A SUSPENDED TIER 3 ILL HEALTH PENSION)

Explanation

For a member on a suspended tier 3 Ill Health pension on or after age 55 and before age 60 (under regulation 30 A (3) of the LGPS Benefits, Membership and Contributions) Regulations 2007) an application for reinstatement will be granted.

Policy

Each specific case will be judged equally and fairly on its own merits.

REGULATION 12 BReg POWER OF EMPLOYING AUTHORITY TO INCREASE TOTAL MEMBERSHIP OF ACTIVE MEMBERS

Explanation

An Employer may agree to increase the total membership of an active member.

A member's total additional membership, including additional membership in respect of different employment, must not exceed 10 years.

Policy

Each specific case will be judged on its own merits, having fully considered service delivery and financial costs. The Remuneration Committee will exercise this discretion.

The Council is not obliged by the regulations to publish a statement on the following discretions, but has chosen to do so.

REGULATION 3 BReg (CONTRIBUTIONS PAYABLE BY ACTIVE MEMBER)

Explanation

Employers will determine the contribution rate payable based on whole-time pensionable pay for existing members at 1 April each year or at the commencement of employment.

Where there has been a material change to a member's pensionable pay in the course of the financial year, his employing authority may re-determine the contribution rate to be applied.

Policy

The Council will not amend the contribution band in the course of a financial year should there be a material change to a member's pensionable pay.

REGULATION 16 AReg (RE-EMPLOYED AND RE-JOINING DEFERRED MEMBERS)

Explanation

Where a deferred member becomes an active member again before becoming entitled to the immediate payment of retirement benefits in respect of his/her former membership, he/she may elect to have his/her former membership aggregated with his/her current active membership. An election must be made in writing to the member's appropriate administering authority before the expiry of the period of 12 months, beginning with the date that he/she again became an active member (or any such longer period as his/her Employer may allow).

Policy

The Council will only extend the period of 12 months in exceptional circumstances or where it was beyond the member's control.

REGULATION 22 AReg (OPTIONAL CONTRIBUTIONS DURING UNPAID ABSENCES)

Explanation

Employing Authorities have the Discretion to extend the period beyond 30 days for a person to make contributions.

Policy

The Council will extend the period of 30 days in circumstances beyond the member's control or in exceptional circumstances. Such requests must be made in writing by the member.

REGULATION 83 AReg . INWARD TRANSFERS OF PENSION RIGHTS

Explanation

A person who becomes an active member (of the LGPS) who has relevant pension rights with a previous Employer, may request his/her fund authority to accept a transfer value for some or all of his/her former rights. An election must be made in writing before the expiry of the period of 12 months, beginning with the date that he/she became an active member (or any such longer period as his/her Employer may allow).

Policy

The Council will extend the period of 12 months only in exceptional circumstances or where it was beyond the member's control.

From 1 June 2004, an amended Internal Dispute Resolution Procedure applies to active members of the LGPS and to others such as deferred and pensioner members, whose position may be affected by the decisions taken by their former Employer or LGPS administering authority

REGULATION 57 AReg (NOTIFICATION OF FIRST INSTANCE DECISIONS)

Explanation

Responsibility for determinations under the first stage of the procedure now rests with a "specified person" appointed by your (former) Employer. The Council must specify the job title and address of the person to whom applications should be directed.

Name of Scheme Employer:	Solihull Metropolitan Borough Council
The specified person is:	Mr Adrian Cattell Head of Human Resources Solihull Metropolitan Borough Council Council House Manor Square Solihull West Midlands B91 3QB