

Report of the Section 1.5.1 Officer

Pension Fund Committee – 3 July 2104

LGPS ADMINISTERING AUTHORITY DISCRETIONS

Purpose:	To approve the discretions available to the City & County of Swansea Administering Authority under the relevant Local Government Pension Scheme Regulations
Reason for Decision:	To ensure compliance with the Local Government Pension Scheme Regulations
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	It is recommended that: 1) The LGPS – Administering Authority Discretions be approved 2) The policy to abate pensions be amended to include the abatement of the pre 1 April 2014 element of pensions in payment following re-employment
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1.0 Introduction

1.1 The LGPS regulations require the City & County of Swansea, as an Administering Authority of the Local Government Pension Scheme (LGPS) to formulate, publish and keep under review areas of the Scheme where it may exercise its discretion.

Discretions were previously approved at the Pension Fund Committee of 26 September 2013; however, require review as a result of the implementation of LGPS 2014 with effect from 1 April 2014.

2.0 Main Body of Report

2.1 The Council, as Administering Authority, can exercise discretions contained in the Local Government Pension Scheme Regulations 1995; Local Government Pension Scheme Regulations 1997; the Local Government Pension Scheme (Transitional Provisions) Regulations 1997; the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007; the Local Government Pensions Scheme (Administration) Regulations 2008; the Local Government Pension Scheme (Transitional Provisions) Regulations 2008; the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.

2.2 A list of all the discretions that the Administering Authority exercises, or chooses not to exercise is shown at Appendix A, those that are new or have been reviewed as a result of the implementation of the new LGPS with effect from 1 April 2014 are shaded grey to highlight.

2.3 These broadly cover how the risk to the fund is managed in certain situations.

2.4 The following discretions are brought to your attention:

- There is one minor change to a previously written discretion in that the policy to abate pensions following re-employment (Appendix B) only refers to regulation 109 of the Local Government Pension Scheme Regulations 1997 and regulation 70(1) of the 2008 Administration Regulations.

While these are still applicable to Councillors and to members who left the Scheme before 1 April 2014, abatement of pensions upon re-employment has been removed from the 2013 Regulations in respect of membership accrued from 1 April 2014.

The 2014 Transitional Regulations, however, still require a policy on abatement of the pre 1 April 2014 element of a pension in payment following re-employment.

It is recommended, therefore, that the policy be amended to also apply to the pre 1 April 2014 element of a pension in payment.

- The regulations require an administering authority to exercise its discretion for some of the employing authority discretions where the participating employer has become defunct.

These discretions, in general, deal with the early release of pension benefits and therefore each case should be considered on its individual merits; however, where this would result in a cost for early

release, a business case would have to be approved justifying that cost.

3.0 General Issues

- 3.1 Not all discretions need to be published; however, it is the intention, for reasons of transparency, to publish the decisions taken in relation to all the available discretions.

If approved, the discretions will be published on the Pension Fund's website and will be circulated to Employer's participating in the Fund.

- 3.2 Whilst the list of discretions sets out the general position, the Council must consider every application on its merit. Where there are extraordinary or justifiable circumstances, a departure from that listed may be appropriate.

- 3.3 The Regulations also require the Employers, who participate in the Local Government Pension Scheme (LGPS) to formulate, publish and keep under review areas of the Scheme where they may exercise their discretion and the Pension Section is actively working with Employers to ensure compliance.

4.0 Equality and Engagement Implications

The discretions must ensure that they do not discriminate against those affected.

5.0 Financial Implications

- 5.1 There are no additional costs to the Pension Fund.

6.0 Legal Implications

- 6.1 Under the LGPS Regulations, the Council, as Administering Authority is required to formulate and keep under review the policies that apply in respect of exercising the discretions referred to in this report.

The Council must publish written statements of the policies and if the Council decides to make any amendments, a statement of the amended policy must be published within one month of the determination.

Background Papers: None

Appendices:

Appendix A – LGPS Administering Authority Discretions

Appendix B – Policy confirming decision to abate pensions following re-employment