



Employer Pensions Discretions Policy

Adopted by Brixton Parish Council – 26th February 2025

Reviewed by Brixton Parish Council – 28th January 2026

This policy will be reviewed on an annual basis

Next Review – January 2027

Kirstie Aldridge - Clerk Brixton Parish Council
clerk@brixtonparishcouncil.gov.uk

The LGPS Regulations 2013 and The LGPS Regulations 2014

(Transitional Provisions and Savings)

and

The LGPS Regulations 2008

(Benefits, Membership and Contributions)

(as at 14th May 2018)

Employer name: Brixton Parish Council

Policy effective from: 26th February 2025

These policies may be subject to review from time to time. Affected employees will be notified of any subsequent change to this Policy Statement.

Print name of authorised officer: E Hitchins

Job title: Chair of Brixton Parish Council

Signature of authorised officer: _____

(Signed copy held by Clerk)

Date: 26th February 2025

This policy was reviewed 28th January 2026 with no amendments

Mandatory LGPS 2013 & 2014 discretions

Discretionary policies from 1 April 2014 in relation to post 31 March 2014 active members and post 31 March 2014 leavers (excluding councillor members)

| Power of employing authority to grant additional pension (Reg 31) | Policy Decision: |
|---|---|
| <p>An employer can choose to grant extra annual pension* (at full cost to themselves) to:</p> <ul style="list-style-type: none">• an active member; or• to a member, within 6 months of leaving, whose employment was terminated on the grounds of redundancy or business efficiency <p><i>*(Please see our website for the current years maximum additional pension purchase limit)</i></p> | <p>The Council will consider funding additional pension to compensate or reward an employee who is retiring or has been made redundant. Decisions will be made on the merits of each case and might include the following.</p> <ul style="list-style-type: none">• The LGPS member's personal circumstances.• The additional contributions to the Fund by the employer arising from the exercise of this discretion. |

| Shared Cost Additional Pension Contribution (Reg 16(2)(e) & Reg 16(4)(d)) | Policy Decision: |
|--|---|
| <p>Where an active member wishes to purchase extra annual pension by making additional pension contributions (APCs)*, an employer can choose to voluntarily contribute towards the cost of purchasing that extra pension through a Shared Cost Additional Pension Contribution (SCAPC)</p> <p><i>*(Please see our website for the current years maximum additional pension purchase limit)</i></p> <p>Note: this discretion does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work (or a longer period if the employer allows) to pay a SCAPC to cover the amount of pension 'lost' during that period of absence. In those cases, the employer <u>must</u> contribute 2/3rds of the cost to a SCAPC; there is no discretion (regulation 15(5) of the LGPS Regulations 2013).</p> | <p>Employees may elect to pay additional pension contributions into a scheme established by the Pension Fund. The Council has not exercised its discretion to contribute to this APC scheme under the APCs arrangement.</p> <p>Applications by employees to buy extra pension through APCs are available for LGPS members. In order to comply with scheme requirements, applications must be supported by the Council to verify the employee is in good health.</p> |

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| <p>'Switch on' the 85-year rule TPSch 2, para 1(2) & 1(1)(c)</p> | <p>Policy Decision:</p> |
| <p>The 85-year rule does not automatically fully apply to members who would have had the protection under old regulations, and who choose to voluntarily draw their benefits on or after age 55 and before age 60. An employer can decide to switch the 85-year rule back on in full for such members.</p> <p>Where the Scheme employer does not switch back on the 85-year rule, the member's benefits will be actuarially reduced. However, the Scheme employer can exercise a discretion to waive any actuarial reductions (at cost to the Scheme employer).</p> | <p>An employee may voluntarily retire from age 55. The Council will not consider switching on protection to the 85 year rule for members who retire from age 55 but before age 60, and will therefore not meet additional retirement costs under this regulation.</p> |
| <p>Flexible Retirement (R30(6) & TP11(2))</p> | <p>Policy Decision:</p> |
| <p>An employer can decide whether to permit flexible retirement for staff aged 55 or over who reduce their working hours and/or grade and wish to access their pension benefits.</p> <p>In such cases, pension benefits may be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds.</p> <p>The employee must reduce either their hours, and/or their grade and the employer must agree to the release of the pension.</p> <p>You will need to consider:</p> <ul style="list-style-type: none"> • The minimum reduction in hours or grade required. <p><i>(The specific reduction required is not set out in the regulations, but instead must be determined by the employer and specified in this flexible retirement policy).</i></p> | <p>Employees aged 55 and above may apply to reduce their hours of work and/or their pay grade and to seek agreement to early release to some, or all of their pension.</p> <p>Requests will be considered if:</p> <p>Either their substantive grade reduces by a minimum of 2 grades (e.g. grade 6 to grade 4) or equivalent, and/or their contract hours reduce by a minimum of 1/5th and at the same time the employee requests early release of their pension.</p> <p>Where flexible retirement requests are approved and pension is released, payment of all of the pension will be on an actuarially reduced basis, unless they are in the protected group</p> |

- Whether the employee should commit to a reduction in hours or grade for a minimum period.
- Whether the employee should commit to remaining in employment with the employer for a minimum period

You must also state whether, in addition to the benefits the member has accrued prior to 1st April 2008 (which the member must draw), you permit the member to choose to draw:

- All, part, or none of the benefits they accrued after 31st March 2008 and before 1st April 2014 and/or,
- All, part, or none of the benefits accrued after 31st March 2014, and,
- Whether to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members' benefits paid on the grounds of flexible retirement before normal retirement age (R30(8)).

Note: If flexible retirement is agreed for a member aged between 55 and 60, there could be a Strain cost to be paid to the Pension Fund by the employer in respect of the pension benefits paid. There would also be a Strain cost payable by the employer where you have waived any actuarial reduction, in whole or in part.

of employees as covered in the LGPS Regulations.

Waive actuarial reductions to members benefits
TP3(1) & TP3(5), TPSch 2 (para 2(1), 3(1), 3(2) & 9)
B30(5) & B30A(5)

An employer can decide whether to waive in whole or in part any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement

This applies to:

- active members voluntarily retiring on or after age 55 and before Normal Pension Age, who elect to immediately draw benefits, and
- deferred members and suspended tier 3 ill health pensioners who elect to draw benefits (other than on ill health grounds) on or after age 55 and before Normal Pension Age.

Policy Decision:

The Council will generally only exercise this discretion on compassionate grounds taking into account the economic impact on the Council. Benefits released under this discretion will be at an unreduced rate.