

WARWICKSHIRE

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pension fund

**Discretions Policy 2022**

**Local Government Pension Scheme Regulations 2013**

## Warwickshire Pension Fund discretions policy Local Government Pension Scheme Regulations 2013

List of discretionary policies applicable to members with membership under the following regulations:

- The Local Government Pension Scheme Regulations 2013 (LGPS Regs)
- The Local Government Pensions Scheme (transitional provisions, savings and amendment) Regulations 2014 (Trans Regs)
- The Local Government Pension Scheme (Administration) Regulations 2008
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended)
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008
- The Local Government Pension Scheme Regulations 1997 (as amended)

<b>Regulation</b>	<b>Administering Authority Discretion</b>	<b>Warwickshire Pension Fund (WPF) Policy</b>
<b>LGPS Regs 16(1).</b>	Whether to turn down a request to pay Additional Pension Contributions / Shared Cost Additional Pension Contributions (APC / SCAPC) over a period of time where it would be impractical to allow such a request (e.g., where the sum being paid is very small and could be paid as a single payment).	<b>Policy:</b>  For payments of £50 or less, WPF will require payment by way of a single payment.  Flexibility will be offered where affordability may be an issue
<b>LGPS Regs 16(10).</b>	A) Whether to require a satisfactory medical before agreeing to an application to pay an APC / SCAPC.  B) Whether to turn down an application to pay an APC / SCAPC if not satisfied that the member is in reasonably good health.	<b>Policy:</b>  A) WPF will not require a satisfactory medical where the APC / SCAPC is in respect of reinstating a period of unpaid leave.  B) WPF will not require the completion of a medical questionnaire by the member's GP where the APC / SCAPC is in respect of purchasing additional pension.
<b>LGPS Regs 17(12).</b>	Decide to whom any AVC / SCAVC monies (including life assurance monies) are to be paid on death of the member.	See <b>Trans Regs 17(5) to (8) &amp; Reg 40(2), Reg 43(2) &amp; Reg 46(2) &amp; Reg 17(12) above.</b> below
<b>Trans Regs</b>	Decide, in the absence of an	<b>Policy:</b>

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<b>10(9).</b>	election from the member within 12 months of ceasing a concurrent employment, which ongoing employment benefits from the concurrent employment which has ceased should be aggregated (where there is more than one ongoing employment).	The Team Leader for WPF's Membership team will determine which is the most beneficial for the member.
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<p><b>LGPS Regs 30(8) *</b></p>	<p>Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement. (Policy required by the Administering Authority where the employer has become defunct)</p>	<p><b>Policy:</b></p> <p>Consideration will be given to waive the actuarial reduction to the benefits where the member had to give up work to provide for a chronically ill spouse or partner</p>
<p><b>LGPS Regs 30(8) *</b></p>	<p>Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age. (Policy required by the Administering Authority where the employer has become defunct).</p>	<p><b>Policy:</b></p> <p>Consideration will be given to waive the actuarial reduction to the benefits where the member had to give up work to provide for a chronically ill spouse or partner</p>
<p><b>LGPS Regs 68(2)</b></p>	<p>Whether to require any strain on the Fund costs to be paid “up front” by employing authority following payment of benefits under Reg 30(6) (flexible retirement) Reg 30(7) (redundancy / business efficiency) or waiver (in whole or in part) under Reg 30(8) of any actuarial reduction that would otherwise have been applied to benefits which a member voluntarily draws before normal pension age or to benefits drawn on flexible retirement.</p>	<p><b>Policy:</b></p> <p>In accordance with the Fund’s existing Funding Strategy Statement, with the agreement of the Administering Authority the strain cost can be spread as follows:</p> <ul style="list-style-type: none"> <li>• Major employing bodies – up to 5 years.</li> <li>• Community Admission Bodies and Designating Employers – payable immediately.</li> <li>• Academies – payable immediately.</li> <li>• Transfer Admission Bodies – payable immediately.</li> </ul>

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<p><b>Trans Regs Sch2 para2(2) *</b></p>	<p>Whether as the 85-year rule does not automatically apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60, to switch the 85-year rule back on for such members. Where the employer does not do so if the member has already met the 85 year rule the members benefits are to be reduced in accordance with actuarial guidance issued by the Secretary of State (with benefits from any pre 1 April 2008 membership for member who will not be 60 or more on 31 March 2016, and benefits from any pre 1 April 2016 for members who will be 60 or more on 31 March 2016 which would not normally be 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).</p> <p>If the member has not already met the 85-year rule the members benefits are to be reduced in accordance with actuarial guidance issued by the Secretary of State (with the reduction on that part of the members 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).</p>	<p>Under the current regulations, a member who benefits from the protections afforded by the 85-year rule cannot retire early without the agreement of their employer. If the employer agrees to their retirement, because there is no reduction for early payment (or a partial reduction depending on the member's age) the employer incurs a cost for allowing retirement between age 55 and 60.</p> <p>LGPS2014 allows a member protected by the 85-year rule to retire early and suffer a reduction of benefits previously protected.</p> <p>This discretion allows the employer to turn-on the 85-year rule and effectively have in place the protections currently afforded to these members.</p> <p><b>Policy: Where Employer has become defunct</b> To "switch off" the rule of 85 protections for affected members on a case by case basis and allow those staff who wish to retire under the 85 year rule to take the actuarial reduction themselves (at no cost to WPF).</p>
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<p><b>Trans Regs Sch2 para2(3) *</b></p>	<p>Whether to waive on compassionate grounds, the actuarial reduction applied to benefits from pre 1 April 2014 membership where the employer has “switched on” the 85-year rule for a member voluntarily drawing benefits on or after age 55 and before age 60. (Policy required by the Administering Authority where the employer has become defunct).</p>	<p><b>Policy:</b> Consideration will be given to waive the actuarial reduction to the benefits where the member had to give up work to provide for a chronically ill spouse or partner</p>
<p><b>Trans Regs Sch2 para 2(5)</b></p>	<p>Whether to require any strain on Fund costs to be paid “up front” by employing authority following waiver of actuarial reduction under Trans Regs Sch 2 para 2(3)</p>	<p><b>Policy:</b> In these circumstances, WPF does not require payment up front and is prepared for the cost to be subsumed as part of the subsequent triennial valuation. However, where the employer is releasing the benefits for reasons other than those described above (e.g., for financial reasons) WPF will require payment of the strain “up front”.</p>
<p><b>LGPS Regs 34(1).</b></p>	<p>Whether to commute small pension.</p>	<p><b>Policy:</b> To be commuted in all cases where the value of benefits is within HMRC limits.  Consideration by the Scheme administrator will be given where a member makes a formal request not to receive a commuted pension. Each request will be assessed on its own circumstances</p>
<p><b>Trans Regs 17(5) to (8) &amp; Reg 40(2), Reg 43(2) &amp; Reg 46(2) &amp; Reg 17(12) above.</b></p>	<p>Decide to whom death grant is paid.</p>	<p><b>Policy:</b> WPF makes payment to the nominee unless it is apparent that the nomination may no longer be valid (i.e., that the nominee may have separated or divorced since the nomination was made or</p>

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		<p>where other exceptional circumstances exist). If no nomination has been made or the nomination is no longer valid, payment is made as follows, (in this order of priority):</p> <p>to the spouse or partner upon production of evidence of marriage or partnership or,</p> <p>any person appearing to the authority to have been his (her) relative or dependant at any time or,</p> <p>to their personal representatives or,</p> <p>if there is no evidence of marriage or partnership or of any persons appearing to be a relative or a personal representative, payment will be made to the Estate.</p> <p>If the nominee is a minor, payment is made to a trust fund in respect of the nominee.</p> <p>In the event of a potential dispute, WPF will gather relevant information to present to the Strategic Director of Resources to make an informed decision regarding the distribution of the amount due.</p>
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<b>LGPS Regs 49(1)(c)</b>	Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more regulations in respect of the same period of Scheme membership.	<b>Policy:</b>  To determine which is the most beneficial for the member.
<b>LGPS Regs 65.</b>	Decide whether to obtain a new rates certificate if the Secretary of State amends the regulations as part of the “cost sharing” under Reg 63.	<b>Policy:</b>  WPF will discuss the implications of such an event with the Fund’s Actuary.
<b>LGPS Regs 69(1)</b>	Decide frequency of payments to be made over to the Fund by employers and whether to make an administrative charge.	<b>Policy:</b>  The employing authority shall pay to WPF all (employee and employer) contributions due in respect of their employees (or former employees) by the 19th of the month following the end of the month in which the amount was deducted from pay.
<b>LGPS Regs 71(1)</b>	Whether to charge interest on payments by employers which are overdue	<b>Policy:</b>  WPF reserves the right to charge employers interest on delayed payments under Reg 69(1).
<b>LGPS Regs 82(2)</b>	Whether to pay death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than the amount specified in S6 of the Administration of Estates (Small Payments) Act 1965	<b>Policy:</b>  Where the death grant due is less than the amount specified in S6 of the Administration of Estates (Small Payments) Act 1965, currently £5,000, payment will be made following completion of a Form of Indemnity. However, any apparent dispute as to who should receive payment and WPF will refer to the policy under the payment of death grants above.



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<b>LGPS Regs 83</b>	Whether, where a person (other than an eligible child) is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit.	<b>Policy:</b>  WPF will request Power of Attorney or in the absence of this satisfactory evidence that the person is managing the member's affairs (e.g., to whom DWP payments are being made).
<b>LGPS Regs 100(6).</b>	Extend normal time limit for acceptance of a transfer value beyond twelve months from joining the LGPS.	<b>Policy:</b>  To allow in exceptional circumstances where it is clear there has been an administrative delay by the employer or WPF  This is now a joint policy to prevent scheme employers from accepting late applications without good reason.
<b>LGPS Regs 100(7)</b>	Where a request for a transfer of pension rights is made by a member, the administering authority may accept the transfer and credit it to the Pension Fund and update the scheme member's account accordingly.	<b>Policy:</b>  To allow the transfer.
<b>LGPS Regs Sch 1 &amp; Trans Regs 17(9)</b>	Decide whether to treat a child as being in continuous education or vocational training despite a break.	<b>Policy:</b>  That WPF allow a break of up to eighteen months to allow the child of a deceased member to take "a year out" between further and higher education and for payment to be suspended during this period of suspension.

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<p><b>LGPS Regs Sch 1 &amp; Trans Regs 17(9)(b)</b></p>	<p>Decide evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member.</p>	<p><b>Policy:</b></p> <p>To take reasonable steps to determine that a beneficiary is valid. The beneficiary will produce on request relevant and valid documents to determine interdependency. For example, proof of joint mortgage or lease for a period in excess of two years, joint bank accounts, Council tax statements.</p>
<p><b>rans Regs 3(13) &amp; Admin Reg 70(1) (2008 regs) &amp; Admin Reg 71(4)(c)</b></p>	<p>Decide policy on abatement of pre 1 April 2014 element of pensions in payment following re-employment.</p>	<p><b>Policy:</b></p> <p>To not apply the abatement rule, save in exceptional circumstances where it determines that not to abate the pension in payment could lead to a serious lack of confidence in the public service.</p>
<p><b>Trans Regs 15(1)(c) &amp; Trans Regs Sch 1 &amp; 83 (1997 regs)</b></p>	<p>Extend time period for capitalisation of added years contract.</p>	<p><b>Policy:</b></p> <p>Time will be extended in exceptional circumstances</p>

**\*These are where regulations require there must be a written policy.**