

Llanrhidian Higher Community Council

LOCAL GOVERNMENT PENSION SCHEME DISCRETIONS

SCOPE

The policy and procedure set out in this document applies to all employees, who are employed under the terms and conditions of Llanrhidian Higher Community Council who have elected to join the Local Government Pension Scheme

Date of Issue: February 2026

1. Introduction

- 1.1 This document sets out below the discretions to be applied within Llanrhidian Higher Community Council.
- 1.2 In formulating and reviewing its policy, Llanrhidian Higher Community Council must have regard to the extent to which the exercise of its discretionary powers could lead to serious loss of confidence in the public service.
- 1.3 Whilst this Policy Statement sets out the general position, the Authority must consider every application on its merit. Where there are extraordinary or justifiable circumstances, a departure from policy may be appropriate.

2. Mandatory Discretions under LGPS 2014

- 2.1 Scheme employers, participating in the LGPS in England and Wales are required to formulate, publish and maintain a written statement of policy on certain discretions set out in the Local Government Pension Scheme Regulations.

2.2 **Funding of Additional Pension – R16(2)(e) & R16(4)(d)**

Employers will determine whether, how much, and in what circumstances to contribute to a Shared Cost Additional Pension Contribution (SCAPC).

Policy

The Council will look at each request on a case-by-case basis.

2.3 **Flexible Retirement – R30(6) & TP11(2)**

Employers will determine whether to permit an application for flexible retirement for an active LPGA member, age 55 or over who, reduce their working hours or grade, and, if so: -

- Whether, in addition to the benefits accrued prior to 1 April 2008 (which must be paid), to permit the member to choose to draw:
- All, part or none of the pension benefits accrued after 31 March 2008 and before 1 April 2014 and/or
- All, part or none of the pension benefits accrued after 31 March 2014
- Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement

Policy

The Council will consider the merits of the application submitted.

2.4 **Waiving of actuarial reduction – R30(8)**

Employers will determine whether to waive any actuarial reduction that would be applied to an active LGPS member, age 55 or over who, either voluntary retires or is granted flexible retirement.

Policy

The Council will look at each request on a case-by-case basis.

2.5 **Award of Additional Pension – R31**

Employers will determine whether to grant extra annual pension of up to £6,500* to an active LGPS member or within 6 months of leaving to a member whose employment was terminated in the grounds of redundancy or business efficiency.

* Figure at 1 April 2014. This figure will be increased each April (starting April 2015) under the Pension (Increase) Act 1971 (as if it were a pension with a PI date of 1 April 2013)

Policy

Generally, the Council will exercise its discretion not to allow such awards except in exceptional circumstances. Such cases would be subject to the submission of a robust business case, identifying the true costs of such an award.

2.6 **Switch back on the 85-year rule – TP Sch 2 paras 1(2) and 2(2)**

Employers will determine whether to switch back on the 85-year rule for members voluntarily retiring on or after age 55 and before age 60.

Policy

The Council will consider the merits of the application submitted.

2.7 **Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1st April 2014 and post 31st March 2014 membership).**

Policy

The Council will consider the merits of the application submitted.

- a) On compassionate grounds (pre 1st April 2014 membership) and in whole or in part on any grounds (post 31st March 2014 membership) if the member was not in the Scheme before 1st October 2016.

Policy

The Council will consider the merits of the application submitted.

- b) On compassionate grounds (pre 1st April 2014 membership) and in whole or in part on any grounds (post 1st March 2014 membership) if the member

was in the scheme before 1st April 2006, will not be 60 by 31st March 2016 and will not attain 60 between 1st April 2016 and the 31st March 2020 inclusive.

Policy

The Council will consider the merits of the application submitted.

- c) On compassionate grounds (pre 1st April 2016 membership) and in whole or in part on any grounds (post 31st March 2016 membership) if the member was in the Scheme before 1st October 2006 and will be 60 by 31st March 2016.

Policy

The Council will consider the merits of the application submitted.

- d) On compassionate grounds (pre 1st April 2020 membership) and in whole or in part on any grounds (post 31st March 2020 membership) if the member was in the Scheme before 1st October 2006 and will not be 60 by 31st March 2016 and will attain 60 between 1st April 2016 and 31st March 2020 inclusive.

Policy

The Council will consider the merits of the application submitted.

3. Optional Discretions under LGPS 2014

- 3.1 There are a number of other discretions which Scheme employers may exercise under the LGPS Regulations 2013, where a written policy is not required; however, it is appropriate that these are listed to ensure clarity on the employer's stance on these matters.

3.2 Funding of Additional Voluntary Contributions – R17(1)

Employers will determine whether, how much, and in what circumstances to contribute to a Shared Cost Additional Voluntary Contribution (SCAVC).

Policy

The Council has determined that it will not fund SCAVCs due to the increased costs associated.

3.3 Permit a late transfer in of previous pension rights – R100(68)

Employers, with the agreement of the City and County of Swansea Pension Fund, will determine whether to permit a Scheme member to elect to transfer other pension rights into the LGPS if the member has not made an election within 12 months of joining the Scheme.

Policy

Extensions only to be allowed in exceptional circumstances and where the delay was outside of the member's control.

3.4 Permit a late election to retain separate LGPS benefits – R22(7)(b) & R22(8)(b).

Employers will determine whether to permit an extension to the 12 month time limit within which a Scheme member may elect not to aggregate a previous deferred benefit with their new LGPS employment (or ongoing concurrent LGPS employment).

Policy

Extensions only to be allowed in exceptional circumstances and where the delay was outside of the member's control.

3.5 Allocation of pension contribution band – R Sch 2, Part 3, para 12(c)

Employers will determine how the pension contribution band to which an employee is to be allocated on joining the Scheme and at each subsequent April will be decided and the circumstances in which the contribution band will be reviewed in the course of a Scheme year

Policy

All fixed, regular payments which are considered pensionable are taken into account. Regular reassessments and re-bandings will take place to take into account, for example, pay awards, increments and promotions.

3.6 Calculation of assumed pensionable pay R21(5)

Employers will determine whether to include the amount of any 'regular lump sum payment', received by the member in the 12 months preceding the commencement of a period of absence or the date at which ill health retirement or death occurred, in the calculation for assumed pensionable pay. A 'regular lump sum payment' is a payment for which the member's employer determines there is a reasonable expectation that such a payment would be paid on a regular basis.

Policy

Generally, a lump sum payment made in the previous 12 months will not be considered a "regular lump sum", however each case will be considered on its merits.

3.7 Whether, subject to qualification, to substitute a higher level of pensionable pay when calculating assumed pensionable pay (APP)

When a member is:

- on reduced contractual pay or no pay due to sickness or injury, or
- absent during ordinary maternity, paternity or adoption leave, or paid shared parental leave, or during paid additional maternity or adoption leave, or
- absent on reserve forces service leave, or
- retires with a Tier 1 or Tier 2 ill health pension, or
- dies in service

if, in the Scheme employer's opinion, the pensionable pay received in relation to an employment (adjusted to reflect any lump sum payments) in the 3 months

(or 12 weeks if not paid monthly) preceding the commencement of Assumed Pensionable Pay (APP), is materially lower than the level of pensionable pay the member would have normally received, decide whether to substitute a higher level of pensionable pay when calculating APP, having had regard to the level of pensionable pay received by the member in the previous 12 months [regulations 21(5A) and 21(5B) of the LGPS Regulations 2013]. Although, this discretion is **NEW**, its effective date is backdated to 1 April 2014 by way of regulation 7 of the LGPS (Amendment) Regulations 2018.

4. Summary of the discretions to be exercised on and after 1 April 2014 in relation to scheme members (excluding councillor members) who ceased active membership between 1 April 2008 and 31 March 2014

4.1 Scheme employers are required to prepare, publish and review a written policy in relation to: -

4.2 **Early payment of deferred pension benefits – B30(5) & (TPSch2 Para 2 (1)).**

Employers will determine whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 (member).

Policy

The Council will consider the merits of the application submitted.

4.3 Whether to “switch on” the 85-year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

Policy

The Council will consider the merits of the application submitted.

4.4 Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A (pensioner member with deferred benefits).

Policy

The Council will consider the merits of the application submitted.

4.5 **Waive actuarial reduction on compassionate grounds – B30(5) & TPsSch2 Para 2(1).**

Employers will determine whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits or suspended tier 3 ill health pensions which are paid before age 65.

Policy

The Council will consider the merits of the application submitted.

5. Summary of the discretions to be exercised on and after 1 April 2014 in relation to active councillor members, councillor members who ceased active membership on or after 1 April 1998 and any other scheme members who ceased active membership between 1 April 1998 and 31 March 2008.

5.1 Scheme employers are required to prepare and keep under review a written policy in relation to: -

5.2 Early payment of pension benefits – 31(2)

Employers will determine whether to grant applications for the early payment of pension benefits on or after age 50 and before age 60.

Policy

The Council will consider the merits of the application submitted.

5.3 Waive actuarial reduction on compassionate grounds – 31(5) & TPSch2 Para 2(1).

Employers will determine whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65.

Policy

The Council will consider the merits of the application submitted.

5.4 Whether to “switch on” the 85-year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.

Policy

The Council will consider the merits of the application submitted.

5.5 Optants out only to get benefits paid from NRD if employer agrees.

Policy

The Council will consider the merits of the application submitted.

6. Summary of the discretions to be exercised on and after 1 April 2014 in relation to scheme members who ceased active membership before 1 April 1998

6.1 Scheme employers are recommended to formulate, publish and keep under review a statement of policy in relation to: -

6.2 Early payment of deferred pension benefits – D11(2)(c)

Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds. Although the common provisions of the 1997 Transitional provisions regulations do not specify regulation D11 (2)(c), their intention was that it should apply to this regulation.

7. Summary of the discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.

7.1 Scheme employers are required to formulate, publish and keep under review a statement of policy on two discretions under the above regulations and must be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

7.2 Calculation of Redundancy Payment

Employers will determine whether to base a redundancy payment on an employee's actual week's pay where it exceeds the statutory weeks' pay limit.

Policy

The Council exercises its discretion to base redundancy payments on an actual weeks' pay up to capped statutory limit, except where there is a justifiable case.

7.3 Make a termination payment

Employers will determine whether to make a termination payment (inclusive of any redundancy payment) of up to a maximum of 104 weeks' pay.

A termination payment cannot be made if an employer makes an award of augmented membership (2007 regulations) or additional pension (2013 regulations).

Policy

The Council exercises its discretion to award an enhanced redundancy payment of up to 45 weeks' pay, depending upon age and length of service, calculated on actual weekly pay where there is a justifiable case.

8. Summary of the discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000

8.1 Although the 2000 Compensation Regulations have been revoked, they still apply to any Compensatory Added Years previously awarded by a Scheme employer before 1 April 2007.

8.2 Scheme employers, who made awards of Compensatory Added Years are required to formulate, publish and keep under review a statement of policy under the above regulations and must be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

8.3 Abatement of annual compensatory added years' payment 25 (2)

Employers will determine how a person's annual compensatory added years' payment is to be abated during, and following the cessation of, any period of re-employment by an employer who offers LGPS membership.

Policy

The Council will consider the merits of the application submitted.

8.4 Mandatory discretion - To what extent to reduce or suspend a person's annual compensatory added year's payment during any period of re-employment in local government and thereafter?

To what extent a person's annual compensatory added years payment is to be abated (reduced or suspended) during, and following the cessation of, any period of re-employment by an employer who offers membership of the LGPS to its employees, regardless of whether or not the employee chooses to join the LGPS (except where the employer is an admitted body, in which case abatement only applies if the person is an active member of the LGPS in the new employment) [regulations 17 and 19 - Parts VI and VII of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000].

8.5 Apportionment of annual compensatory added years 21 (4)

Employers will determine how any surviving spouses or civil partner's annual compensatory added years is to be apportioned where the deceased is survived by more than one spouse or civil partner.

Policy

The Council will consider the merits of the application submitted.

8.6 Suspension of spouse's annual compensatory added years 21 (7)

Employers will determine whether the annual compensatory added years, paid to a spouse of a person who ceased employment before 1 April 1998, will continue to be paid if they remarry, enter into a civil partnership or cohabit after 1 April 1998.

Policy

The Council will consider the merits of the application submitted.

8.7 If, under the preceding decision, the authorities policy is to apply the normal suspension rules, whether the spouses or civil partners annual compensatory added year's payment should be re-instated after the end of the re-marriage, new civil partnership or co-habitation.

Policy

The Council will consider the merits of the application submitted.

8.8 Whether, in respect of the spouse or civil partner of a person who ceased employment before 1st April 1998 and where the spouse or civil partner re-marries or co-habits or enters into a civil partnership on or after the 1st April 1998 with another person who is also entitled to a spouses or civil partners annual CAY payment, the normal rule requiring one of them to forego payment whilst the period of marriage, civil partnership or cohabitation lasts, should be disapplied i.e. whether the spouses or civil partners' annual CAY payments should continue to be paid to both of them.

Policy

The Council will consider the merits of the application submitted.

- 8.9 Whether and to what extent to reduce or suspend the members annual compensatory added year's payment during any period of re-employment within local government.

Policy

The Council will consider the merits of the application submitted.

- 8.10 How to reduce the member's annual compensatory added year's payment following the cessation of a period of re-employment in local government.

Policy

The Council will consider the merits of the application submitted.

9. Summary of the discretions to be exercised under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

- 9.1 Scheme employers are required to formulate, publish and keep under review a statement of policy under the above regulations and must be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

9.2 Injury Awards 3 (1)

Employers will determine whether to make an injury award to those who sustain an injury or contract a disease as a result of anything they were required to do in performing the duties of their job and, in consequence:

- Suffer a reduction in remuneration.
- Cease to be employed as a result of an incapacity which is likely to be determined and which was caused by the injury or disease.
- Die leaving a surviving spouse, civil partner or dependant.

Policy

Where an employee clearly suffers a reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out their duties then the Council may exercise its discretion and consider each case on its own merits and medical advice.

9.3 Amount of Injury Award 3(4) & (8)

Where a policy to make injury award payments exists, employers will determine the amount of injury allowance to be paid

- 9.4 To determine whether a person continues to be entitled to an injury allowance under regulation 3(1) (Reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carry out duties of the job).

Policy

The Council will consider the merits of the application submitted.

- 9.5 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.

Policy

The Council will consider the merits of the application submitted.

- 9.6 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 the duties of the job.

Policy

The Council will consider the merits of the application submitted.

- 9.7 Determine whether a person continues to be entitled to an injury allowance awarded under regulation 4(1) (loss of employment through permanent incapacity).

Policy

The Council will consider the merits of the application submitted.

- 9.8 Whether to suspend or discontinue injury allowance awarded under regulation 4(1) (loss of employment through permanent incapacity). If person secures paid employment for not less than 30 hours per week for a period of not less than 12 months.

Policy

The Council will consider the merits of the application submitted.

- 9.9 Whether to grant an injury allowance following cessation of employment with entitlements to immediate LGPS pension where a regulation 3 payment (reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job) was being made at date of cessation of employment but regulation 4 (loss of employment through permanent incapacity) does not apply.

Policy

The Council will consider the merits of the application submitted.

- 9.10 Determine whether and when to cease payment of an injury allowance payable under regulation 6(1) (payment of injury allowance following the cessation of employment).

Policy

The Council will consider the merits of the application submitted.

- 9.11 Whether to grant an injury allowance to the spouse, civil partner, cohabiting partner (the requirement to nominate a cohabiting partner has ceased entirely under these regulations due to the outcome of the Elmes v Essex high court judgement) or dependent 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.

Policy

The Council will consider the merits of the application submitted.

- 9.12 To determine an amount of any injury to be paid to the spouse, civil partner, nominated cohabiting partner (for awards made on or after the 1st April 2008 the requirement to nominate a cohabiting partner has ceased due to the outcome of the Elmes v Essex high court judgement) or dependent of an employee under regulation 7(1) (employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job).

Policy

The Council will consider the merits of the application submitted.

- 9.13 To determine whether and when to cease payment of any injury allowance payable under regulation 7(1) (employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job).

Policy

Each case will be considered on its own merits in accordance with the regulations but must not exceed the pay that would have been applicable if the injury or disease had not occurred.

10 Miscellaneous

- 10.1 Any change to the discretions exercised under the LGPS Regulations can take immediate effect from the date the changes to the policies are agreed.
- 10.2 Any change to the discretions exercised under the Discretionary Compensation Regulations 2000, the Discretionary Compensation Regulations 2006 or the Injury Allowances Regulations 2011 cannot take effect until one month after the date the statement of the amended policy is published.
- 10.3 A copy of any revised policy should also be sent to the City and County of Swansea Pension Fund within one month of its revision.

Signed: *Jeremy Parkhouse*

Date: 12th February 2026