WROUGHTON PARISH COUNCIL

Agenda Item No 10
16 October 2023

Pensions Discretionary Policy

1.0 Introduction

1.1 As an employer in the Local Government Pension Scheme (LGPS), Wroughton Parish Council has the duty and responsibility to update its members of pension contributions and update the council with any changes to the pension administration.

1.2 The Wiltshire Pension Fund is the chose pension provider of Wroughton Parish Council and there are a number of requirements between employers and the "Fund", that enables the provision of a high-quality pension administration service and to meet statutory requirements.

1.3 Up until now Wroughton Parish Council has not yet adopted a Pensions Discretionary Policy and this is something that should be implemented as soon as possible.

2.0 Report Details

2.1 The Pensions Discretionary policy (draft attached) is a mandatory document which needs adopting and therefor approval required by the Finance and General Purposes Committee.

2.2 The LGPS Regulations state that all employers should have an employer's discretions policy in place and that a copy of the policy must be sent to the Fund and made accessibly to all employees and members.

2.3 There are currently 9 discretions listed within the standard policy (attached) and **discretion 3) and 4) require further explanation;**

2.3.1 **Discretion 3) *Reg 30(6)* Flexible Retirement -** This discretion enables the employer to grant permission for an employee who is 55 years or over to receive payment of the pension benefits that they have built up, and continue to work for the council on a flexible retirement basis.
The draft policy proposal (attached) states that requests for flexible retirement will be considered by the F&GP committee and considerations are to be given to the employee's length of service and summary of cost implications involved.

2.3.2 **Discretion 4) *Reg 30(8)* Waiving actuarial reduction on flexible retirement –** This discretion enables the employer to waive the reduction on compassionate grounds and for the employer to pick up the cost/shortfall to the pension fund.
It is recommended that this discretion will only be considered by the F&GP Committee in exceptional circumstances after considering any potential "strain costs" to the council that will apply.

2.4 Members should note that when an employee leaves the pension scheme earlier than their normal pension age, there are likely to be costs associated with this as the benefits are being taken earlier than expected or planned for. These "strain" costs could be significant to the employer (the Council) and considered on a case by case basis. Any costs associated would vary from member to member depending on their age, membership, date of leaving, pensionable pay etc.

2.4 If the Council does wish to "waive" these costs to a member of staff at any point in the future then it would need to have an adopted discretion policy in place to be able to do so.

3.0 Recommendations

3.1 **That members NOTE this report.**

3.2 **Members agree to adopt the attached Pension Discretionary Policy, Version 1, October 2023.**

3.3 **Members note that individual requests from members of staff surrounding early retirement or flexible retirement are considered on a case by case basis, taking into account dedication and length of service vs the operational needs and costs to the parish council (employer).**