

STATEMENT OF POLICY REGARDING THE EXERCISE OF DISCRETIONS WITHIN THE LOCAL GOVERNMENT PENSION SCHEME

London Borough of Camden

**Camden Town Hall
Judd Street
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PART A Discretions from 1.4.14 in relation to post 31.3.14 active members (excluding councillor members) and post 31.3.14 leavers (excluding councillor members), being discretions under:

- The Local Government Pension Scheme Regulations 2013 [prefix R]
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [prefix TP]
- The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [prefix B]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]
- The Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]

Discretion	Regulation	Policy Statement	Exercised by
Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a.) (figure at 1 April 2014)	R13	This discretionary benefit will be exercised in exceptional circumstances only subject to the approval of the Pensions Sub-Committee (or successor committee). There is no option for the Council to award attaching survivors' benefits to the additional pension granted to the member.	Employer
Whether, where an active Scheme member wishes to purchase extra annual pension of up to £6,500 (figure at 1 April 2014) by making Additional Pension Contributions (APCs), to (voluntarily) contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).	R 16(2)(e) and R16(4)(d).	This discretionary benefit will be exercised in exceptional circumstances only subject to the approval of the Pensions Sub-Committee (or successor committee). Comment: The above discretion does not relate to cases where a member has a period of authorise unpaid leave and elects within 30 days of return to work to pay a SCAPC to cover the amount of pension "lost" during that absence. In these cases, the Council must contribute 2/3rds cost to a SCAPC; there is no discretion. (Regulation 15(5) of LGPS Regulations 2013).	Employer

<p>Whether all or some benefits can be paid if an employee reduces their hours and grade (flexible retirement), and</p>	<p>R30(6) and TP11(2)</p>	<p>Employer</p>
<p>Once they reach age 55 scheme members may request flexible retirement by writing to their manager. They should specify in the letter whether, if the request for flexible retirement is granted, they wish to receive all or part of their benefits at this point. Only post-2008 membership may be considered for part payment purposes.</p> <p>Careful consideration will be given to each request, having regard to the following considerations:</p> <ul style="list-style-type: none"> o The scheme member must be reducing either their hours or their grade. If the employee is proposing to reduce their hours, it is envisaged that a reasonable reduction will be made, not just one or two hours per week. o The best interests of the service are either assisted by granting the request OR o The best interests of the service can be accommodated within the reduced hours/grade. <p>Where the Council agrees to the request for flexible retirement, it will also consider whether to release part, or all, of the scheme member's accrued benefits as per the employee's request.</p>	<p>Employer</p>	<p>Employer</p>
<p>Whether to waive, in whole or part, actuarial reduction on benefits paid on flexible retirement</p>	<p>Regulation 30(8)</p>	<p>Employer</p>
<p>The Council will consider any request to waive any actuarial reduction. It will consider each case on its merits when deciding whether to waive any actuarial reduction on benefits paid in whole or in part. Typically, however, this will be considered on compassionate grounds. Decisions relating to whether or not flexible retirement should be granted should be made at Head of Service level, to ensure the cost implications for a department are properly considered and authorised. The decision to waive actuarial reduction will be taken jointly by the Director of Finance and the Assistant Director of HR.</p>	<p>Employer</p>	<p>Employer</p>

<p>Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.</p>	<p>TPSch2, paras 2(1) and 2(2)</p>	<p>Where a scheme member voluntarily draws pension benefits on or after age 55 and before age 60, this will be actuarially reduced. Where applicable, the Council may "switch" on the 85 year rule if proven that it would be in the Council's financial or operational interests. Each case will be treated on its merits and will be subject to the approval of the Assistant Director of HR in consultation with the Director of Finance.</p>	<p>Employer</p>
<p>Whether to waive any actuarial reduction on pre and or post April 2014 benefits where the 85 year rule is switched on. Depending on a member's age and membership reduction can be waived on compassionate grounds for membership up to 31 March 2020 (latest date) and on any grounds in whole or in part for membership from 1 April 2014 (earliest date)</p>	<p>TP3(1) TPSch2, paras 2(1) and 2(2). B30(5) and B30A(5).</p>	<p>The Council will consider waiving actuarial reductions on compassionate grounds only. This will be a decision of the Assistant Director of HR in consultation with the Director of Finance/Deputy Director of Finance</p>	<p>Employer</p>
<p>Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age Depending on a member's age and membership reduction can be waived on compassionate grounds for membership up to 31 March 2020 (latest date) and on any grounds in whole or in part for membership from 1 April 2014 (earliest date).</p>	<p>R30(8)</p>	<p>The Council will only consider waiving actuarial reductions on compassionate grounds. Discretion to pay pensions without actuarial reductions on compassionate grounds is operated in accordance with the definition as approved by the Corporate Services Committee on 25 July 1995, as below. In order for the Council to exercise its discretion on compassionate grounds, those making the decision will have regard to whether: The member is suffering from</p> <ul style="list-style-type: none"> ▪ severe financial difficulties, has no other source of income and their personal circumstances are not likely to improve ▪ Their opportunities for other employment are severely limited ▪ That continued financial difficulties would harm dependents such as partners, children, parents and other immediate family 	<p>Employer</p>

		<ul style="list-style-type: none"> ▪ That they have been forced to leave work to care for a dependant who is suffering from a long-term illness or ▪ That someone close to them has died and the emotional or financial effects have greatly affected them. <p>The Assistant Director of HR and the Director of Finance will also consider:</p> <ul style="list-style-type: none"> ▪ Their age ▪ length of service ▪ their job with the Council ▪ the reason why they left ▪ their qualifications, skills and experience ▪ the comments of the Chief Officer 		
Whether, how much, and in what circumstances to contribute to a shared cost AVC entered into on after 1 April 2014	R17(1) and definition of SCAVC in RSch1	The Council will consider such arrangement only where it is in the Council's interests to do so or where there are specific issues of fairness and equity. Each case should be treated on its merits and be subject to the approval of the Pensions Sub Committee (or relevant successor committee)		Employer
Whether, how much, and in what circumstances to contribute to a shared cost AVC entered into on before 1 April 2014	TP15(1)(d) and A25(3)			Employer
Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	R100(68)	Decision made by the Head of the Camden Merton and Wandsworth Pensions Shared Service		Delegated by Employer
Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment	R22(7)(b)	Decision delegated to the Head of Camden, Merton and Wandsworth Pensions Shared Service on a case by case basis.		Employer/ Pensions Shared Service

Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with an ongoing concurrent employment	R22(8)(b)	Decision delegated to the Head of Camden, Merton and Wandsworth Pensions Shared Service on a case by case basis.	Employer/ Pensions Shared Service
Determine rate of employees' contributions	R9(1) and R9(2)	<p>The Council's Payroll Service will determine the base rate on actual pay in April:</p> <ul style="list-style-type: none"> ▪ Run a monthly exercise as a check and re-band up or down where necessary ▪ Re-band on all contractual changes, but not ad-hoc hours changes, and re-band upon a pay award. 	Employer
In determining Assumed Pensionable Pay, whether a lump sum payment made in the previous 12 months is a "regular lump sum"	R21(5)	<p>The Council will determine in individual cases where necessary to establish in a fair, equitable and justifiable way what the member's likely pay would have been but for the absence, and in cases where this pay is to be used for future enhancements whether that level of pay would have been received every year to normal retirement age.</p> <p>This will be considered by the payroll function with a decision made in the HR service, in consultation with the Assistant Director HR when necessary.</p>	Employer
No right to return of contribution if member left due to an offence of fraudulent or grave misconduct unless the Council directs a total or partial refund is made	R19(2)	Decision to be made on a case by case basis by Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR	Employer

<p>Whether to apply to the Secretary of State for forfeiture certificate (where member is convicted of a relevant offence)</p> <p>Where forfeiture certificate is issued, whether to direct that benefits are to be forfeited (other than rights to GMP – but see R95 below</p>	<p>R91(1) and (8)</p>	<p>Decision to apply to the Secretary of State for a forfeiture certificate and if benefits are to be forfeited etc, to be made by the Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR</p>	<p>Employer</p>
<p>Where forfeiture certificate is issued, whether direct interim payments out of Pension Fund until a decision is taken to either apply the certificate or pay benefits</p> <p>Whether to recover from the Pension Fund any monetary obligation, if less, the value of the member's benefits (other than benefits from transferred in pension rights or APCs or AVCs or subject to R95 below in respect of any GMP) where the obligation was incurred as a result of a grave misconduct or a criminally negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment</p>	<p>R93(2)</p>	<p>Decision to be made on a case by case basis by Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR</p>	<p>Employer</p>
<p>Whether, if the member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts, forfeiture under R91 or recovery of a monetary obligation under R93 should deprive the member or member's surviving spouse, or civil partner of any GMP entitlement</p>	<p>R95</p>	<p>Decision to be made on a case by case basis by Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR</p>	<p>Employer</p>

Specify in an employee's contract what other payments or benefits, other than those specified in R20(1)(a) and not otherwise precluded by R20(2), are to be pensionable	R20(1)(b)	Decision to be made by Head of HR	Employer
Determine whether a member is entitled to an Ill Health Retirement pension, and what tier of benefits to be awarded	R36	The Council will follow policy to consider IHR in line with the regulations, and before making a decision on IHR, the Council will seek a certificate from an independent and approved medical practitioner qualified in OH medicine	Employer
Decide whether deferred beneficiary meets criteria of being permanently incapable of former job because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years, whichever is the sooner	R38(3)	The Council will follow policy to consider IHR in line with the regulations, and before making a decision on IHR, the Council will seek a certificate from an independent and approved medical practitioner qualified in OH medicine	Employer
Whether to recover any overpaid Tier 3 pension following commencement of gainful employment	R37(3)	Decision to be made by Director of Finance	Employer

PART B Discretions in relation to scheme members (excluding councillor members) who ceased active membership on or after 1.4.08 and before 1.4.14, being discretions under:

- The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 [prefix B]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]
- The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 [prefix TP]
- The Local Government Pension Scheme Regulations 2013 [prefix R]
- The Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]

Discretion	Regulation	Policy statement	Exercised by
Whether, for a member leaving on the grounds of redundancy of business efficiency on or before 31 March 2014, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving. Hence this discretion is spent entirely after 30 September 2014.	B12	This discretionary benefit will be exercised in exceptional circumstances only and will be subject to the approval of the Pensions Sub Committee (or successor committee)	Employer
Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60.	B30(2)	Where a former scheme member, who is entitled to do so in accordance with the regulations, requests early release of deferred benefits, approval will be given only on compassionate grounds or in other exceptional circumstances where it is in the Council's interest to do so and where there is no financial disadvantage to LB Camden. Each case will be treated on its merits and will be subject to the approval of the Assistant Director of HR in consultation with the Director of Finance (or relevant successor posts)	Employer

<p>Whether to waive on compassionate grounds the actuarial reduction applied to deferred benefits paid early under B30</p>	<p>B30(5)</p>	<p>Employer</p>
<p>Discretion to pay pensions without actuarial reductions on compassionate grounds are operated in accordance with the definition as approved by the Corporate Services Committee on 25 July 1995, as below.</p> <p>In order for the Council to exercise its discretion on compassionate grounds, those making the decision will have regard to whether: The member is suffering from</p> <ul style="list-style-type: none"> ▪ severe financial difficulties, has no other source of income and their personal circumstances are not likely to improve ▪ Their opportunities for other employment are severely limited ▪ That continued financial difficulties would harm dependents such as partners, children, parents and other immediate family ▪ That they have been forced to leave work to care for a dependant who is suffering from a long-term illness or ▪ That someone close to them has died and the emotional or financial effects have greatly affected them. <p>The Assistant Director of HR and the Director of Finance will also consider:</p> <ul style="list-style-type: none"> ▪ Their age ▪ length of service ▪ their job with the Council ▪ the reason why they left ▪ their qualifications, skills and experience ▪ the comments of the Chief Officer 	<p>Each case will be treated on its merits and will be subject to the approval of the Assistant Director of HR in consultation with the Director of Finance (or relevant successor posts)</p>	<p>Employer</p>
<p>Whether to grant an application for early payment of tier 3 suspended ill health pension on or after age 55 and before age 60</p>	<p>B30A(3)</p>	<p>Employer</p>

<p>Whether to waive on compassionate grounds the actuarial reduction applied to benefits paid early under B30A</p>	<p>B30A(5)</p>	<p>Each case will be treated on its merits and will be subject to the approval of the Assistant Director of HR in consultation with the Director of Finance (or relevant successor posts) in accordance with the compassionate definition approved by the Corporate Services Committee on 25 July 1995.</p>	
<p>No right to return of contribution if member left due to an offence of fraudulent or grave misconduct unless the Council directs a total or partial refund is made</p>	<p>A47(2)</p>	<p>Decision to be made on a case by case basis by Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR</p>	<p>Employer</p>
<p>Whether to apply to the Secretary of State for forfeiture certificate (where member is convicted of a relevant offence)</p>	<p>A72(1) and (6)</p>	<p>Decision to apply to the Secretary of State for a forfeiture certificate and if benefits are to be forfeited etc, to be made by the Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR</p>	<p>Employer</p>
<p>Where forfeiture certificate is issued, whether to direct that benefits are to be forfeited</p>	<p>A72(3)</p>	<p>Decision to be made on a case by case basis by Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR</p>	<p>Employer</p>
<p>Where forfeiture certificate is issued, whether to direct interim payments out of Pension Fund until a decision is taken to either apply the certificate or pay benefits</p>	<p>A73(1)</p>	<p>Decision to be made on a case by case basis by Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR</p>	<p>Employer</p>
<p>Whether to recover from the Pension Fund any monetary obligation owed or, if less, the value of the member's benefits (other than benefits from transferred in pension rights or AVCs/SCAVCs) where the obligation was incurred as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment</p>	<p>A74(2)</p>	<p>Decision to be made on a case by case basis by Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR</p>	<p>Employer</p>

<p>Whether to recover from Fund any financial loss caused by fraudulent act or grave misconduct of an employee (who has left because of that), or amount of refund if less</p> <p>Whether, if the member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts, forfeiture under R91 or recovery of a monetary obligation under R93 should deprive the member or member's surviving spouse, or civil partner of any GMP entitlement</p>	<p>A76(2) and (3)</p>	<p>Decision to be made on a case by case basis by Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR</p>	<p>Employer</p>
<p>Decide whether deferred beneficiary meets permanent ill health and reduced likelihood of gainful employment criteria</p>	<p>B31(4)</p>	<p>Before making a decision on retirement benefits in cases of health, the Council will seek a certificate from an independent and approved medical practitioner qualified in OH medicine</p>	<p>Employer</p>
<p>Decide whether a suspended ill health tier 3 member is permanently incapable of undertaking any gainful employment</p>	<p>B31(7)</p>	<p>Before making a decision the Council will seek a certificate from an independent and approved medical practitioner qualified in OH medicine</p>	<p>Employer</p>

PART C Discretions under the Local Government Pension Scheme Regulations 1997 (as amended) in relation to:

- a) councillor members who ceased active membership on or after 1.4.98, and
- b) any other scheme members who ceased active membership on or after 1.4.98 and before 1.4.08

Discretion	Regulation	Policy statement	Exercised by
<p>Grant application from a post 31.03.98 / pre 01.04.08 leaver for early payment of benefits on or after age 50/55 and before age 60 (see note below)</p>	<p>31(2)</p>	<p>[This paragraph applies up to 26 May 2014 only] Where a councillor member, who is entitled to do so in accordance with the regulations, requests early release of benefits and it can be proven that it would be in the Council's financial or operational interest to allow it, the early release should be allowed with any necessary reduction to benefits applied or waived on compassionate grounds. Each case will be treated on its merits and will be subject to the approval of the Chief Executive (or relevant successor post) acting in consultation with the Director of Finance (or relevant successor post).</p> <p>Where a former councillor member, who is entitled to do so in accordance with the regulations, requests early release of deferred benefits, approval will be given only on compassionate grounds or in other exceptional circumstances where it is in the Council's interest to do so and where there is no financial disadvantage. Each case will be treated on its merits and will be subject to the approval of the Chief Executive (or relevant successor post) acting in consultation with the Director of Finance (or relevant successor post).</p> <p>Where a former scheme member, who is entitled to do so in accordance with the regulations, requests early release of deferred benefits, approval will be given only on compassionate grounds or in other exceptional circumstances where it is in the Council's interest to do so and where there is no financial disadvantage. Each case will be treated on its merits and will be subject to the approval of the Assistant Director of HR (or relevant successor post) acting in consultation with the Director of Finance (or relevant successor post).</p>	<p>Employer</p>

<p>Waive on compassionate grounds the actuarial reduction applied to benefits paid early to a post 31.03.98 / pre 01.04.08 leaver</p>	<p>31(5)</p>	<p>Employer</p>
<p>Any discretion to pay pensions without actuarial reductions on compassionate grounds should be operated in accordance with the definition as approved by the Corporate Services Committee on 25 July 1995 (see below).</p> <p>In order for the Council to exercise its discretion on compassionate grounds, one or more of the following must be met:</p> <ul style="list-style-type: none"> ▪ The member is suffering from severe financial difficulties, has no other source of income and their personal circumstances are not likely to improve ▪ Their opportunities for other employment are severely limited ▪ That continued financial difficulties would harm dependents such as partners, children, parents and other immediate family ▪ That they have been forced to leave work to care for a dependant who is suffering from a long-term illness or ▪ That someone close to them has died and the emotional or financial effects have greatly affected them. <p>The Assistant Director of HR and the Director of Finance will also consider:</p> <ul style="list-style-type: none"> • Their age • length of service • their job with the Council • the reason why they left • How much yearly pension and lump sum • Cost to the pension fund • their qualifications, skills and experience • the comments of the Chief Officer in the department they worked for 		

Pre 01.04.08 optants out (but still employed) only to get benefits paid from NRD if employer agrees	31(7A)	The Council will automatically consent to payments at NRD for all Councillors who opt out of the LGPS at any time before leaving office	Employer
No right to return of contribution if member left due to an offence of fraudulent character unless the Council directs a total or partial refund is made (pre 01.04.08 leavers)	88(2)	Decision to be made on a case by case basis by Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR	Employer
Forfeiture of pension rights on issue of Secretary of State's certificate (pre 01.04.08 leavers)	111(2) and (5)	Decision to apply to the Secretary of State for a forfeiture certificate and if benefits are to be forfeited etc, to be made by the Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR	Employer
Where forfeiture certificate is issued, direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits (pre 01.04.08 leavers)	112(1)	Decision to be made on a case by case basis by Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR	Employer
Recovery from the Pension Fund any monetary obligation owed by former employee or, if less, the value of the member's benefits (other than benefits from transferred in pension rights (pre 01.04.08 leavers)	113(2)	Decision to be made on a case by case basis by Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR	Employer
Recovery from Pension Fund of financial loss caused by employee, or amount of refund if less (pre 01.04.08 leavers)	115(2) and (3)	Decision to be made on a case by case basis by Director of Finance/Head of Internal Audit in consultation with the Assistant Director of HR	Employer

Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. Also, any part of the benefits which had accrued after 5 April 2006 would generate a scheme sanction charge.

PART D Discretions under the Local Government Pension Scheme Regulations 1995 (as amended) in relation to pre 1.4.98 scheme leavers

Discretion	Regulation	Policy statement	Exercised by
<p>Grant an application from a pre 01.04.98 leaver for early payment of deferred benefits on or after age 50 on compassionate grounds.</p>	<p>D11(2)(c)</p>	<p>Discretion to pay pensions without actuarial reductions on compassionate grounds is operated in accordance with the definition as approved by the Corporate Services Committee on 25 July 1995, as below.</p> <p>In order for the Council to exercise its discretion on compassionate grounds, those making the decision will have regard to whether:</p> <p>The member is suffering from</p> <ul style="list-style-type: none"> ▪ severe financial difficulties, has no other source of income and their personal circumstances are not likely to improve ▪ Their opportunities for other employment are severely limited ▪ That continued financial difficulties would harm dependents such as partners, children, parents and other immediate family ▪ That they have been forced to leave work to care for a dependant who is suffering from a long-term illness or ▪ That someone close to them has died and the emotional or financial effects have greatly affected them. <p>The Assistant Director of HR and the Director of Finance will also consider:</p> <ul style="list-style-type: none"> ▪ Their age ▪ length of service ▪ their job with the Council ▪ the reason why they left ▪ their qualifications, skills and experience ▪ the comments of the Chief Officer 	<p>Employer</p>

Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable and unauthorised payment surcharge under the Finance Act 2006. However, as the benefits accrued prior to April 2006, they would not generate a scheme sanction charge.

I warrant that the above policies reflect the policy intention of the London Borough of Camden as at 13th August 2014.

Signed: 

Position: Director of Finance

Official Seal/Company stamp:



