

**Compass Contract Services**

**LOCAL GOVERNMENT PENSION  
SCHEME REGULATIONS 2014**

**EMPLOYER DISCRETIONS  
POLICY STATEMENT**

## Discretions of the Employing Authority

<b>COMPULSORY DISCRETIONS</b>		
<b>Main Purpose of Regulation</b>	<b>Regulation</b>	<b>Discretion Exercised</b>
Funding of Additional Pension through a Shared Cost Additional Pension Contribution - Where an active Scheme member wishes to purchase extra annual pension up to the maximum by making Additional Pension Contributions (APCs), the employer may choose to (voluntarily) contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).	Regulation 16 (2)(e) and/or 16 (4)(d)	Where there is a clear and significant financial or operational advantage to be gained by Compass Contract Services (UK) Ltd, then Compass Contract Services (UK) Ltd will consider voluntarily contributing towards the cost of purchasing extra pension, where an active Scheme member wishes to purchase extra annual pension by making APCs, and only then with the prior recommendation of Nicholas Corney Legal Director
Flexible Retirement - This regulation allows the employer to consent to the early release of all, or part, of a member's LGPS benefits provided they have also consented to the reduction of hours worked or grade in which the member is employed. The member must be aged 55 or over.	Flexible retirement, Regulation 30 (6)	"Only where there is a clear operational or significant financial advantage for Compass Contract Services (UK) Ltd will a request for early payment of benefits under flexible retirement rules normally be permitted. This would be for employees aged 55 or over and applicants could incur actuarial reductions on benefits paid.  Decisions regarding early payment of retirement benefits under the flexible benefits rules where there will be a cost to Compass Contract Services UK Ltd are delegated to the Finance Director for Compass Contract

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		Services UK Ltd. Where there is no cost to Compass Contract Services (UK) Ltd this decision is delegated to Nicholas Corney Legal Director.
Waiving of actuarial reduction - This regulation allows the employer to consent to the early release of all, or part, of a member's LGPS benefits provided they have also consented to the reduction of hours worked or grade in which the member is employed. The member must be aged 55 or over.	Regulation 30 (8)	Where there is a clear and significant financial or operational advantage for Compass Contract Services (UK) Ltd, taking all issues into account, then Compass Contract Services (UK) Ltd will consider waiving, in whole or in part, the actuarial reduction on benefits paid in flexible retirement and only with the prior recommendation of Nicholas Corney Legal Director.
Switching on the 85-year rule for members voluntarily drawing benefits on or after age 55 and before age 60 –  Whilst the 85-year rule does not automatically apply in full if the employee decides to voluntarily draw benefits on or after age 55 and before age 60, this regulation allows the employer to switch the rule back on.  If the employer switches on the 85-year rule they	Schedule 2 of the Transitional Regulations.	Where there is a clear and significant financial or operational advantage for Compass Contract Services (UK) Ltd, taking all issues into account, Compass Contract Services (UK) Ltd will consider "switching on" the 85 year rule for members who choose to voluntarily draw their benefits on or after 55 and before age 60, and only with the prior recommendation of Nicholas Corney – Legal Director.

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will pick up any strain on Fund cost.		
The power of employing authority to award additional pension - this regulation allows an employer to resolve to award a member an amount of additional pension, up to the LGPS maximum, to an active scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.	Regulation 31	Where there is a clear and significant financial or operational advantage to be gained by Compass Contract Services (UK) Ltd, then Compass Contract Services (UK) Ltd will consider awarding additional pension, and only then with the prior recommendation of Nicholas Corney – Legal Director

<b>OPTIONAL DISCRETIONS</b>		
<b>Main Purpose of Regulation</b>	<b>Regulation</b>	<b>Discretion Exercised</b>
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 1/4/14 and post 31/3/14 membership) a) on	TP3(1), TPSch 2, para 2(1) & B30(5) & B30A(5)	Where there is a clear and significant financial or operational advantage for Compass Contract Services (UK) Ltd, taking all issues into account, Compass Contract Services (UK) Ltd will (for members with no protected membership) consider:  Waiving all of the reductions in respect of pre 1 April 2014 benefits

<p>compassionate grounds (pre 1/4/14 membership) and / or, in whole or in part on any grounds (post 31/3/14 membership) if the member was not in the Scheme before 1/10/06, b) on compassionate grounds (pre 1/4/14 membership) and / or, in whole or in part on any grounds (post 31/3/14 membership) if the member was in the Scheme before 1/10/06, will not be 60 by 31/3/16 and will not attain 60 between 1/4/16 and 31/3/20 inclusive c) on compassionate grounds (pre 1/4/16 membership) and / or, in whole or in part on any grounds (post 31/3/16 membership) if the member was in the Scheme before 1/10/06 and will be 60 by 31/3/16 d) on compassionate grounds (pre 1/4/20 membership) and / or, in whole or in part on any grounds (post 31/3/20 membership) if the member was in the Scheme before 1/10/06, will not be 60 by 31/3/16 and will attain 60 between 1/4/16 and 31/3/20 inclusive</p>		<p>but only on compassionate grounds and / or waiving all or some of the actuarial reductions in respect of post 31 March 2014 on any grounds.</p> <p>For members with protected membership (as described under C and D) Compass Contract Services (UK) Ltd will consider waiving the actuarial reductions but will do so only on compassionate grounds as per the LGPS regulations</p> <p>The waiving of any actuarial reductions is only with the prior recommendation of Nicholas Corney – Legal Director.</p>
<p>Whether to waive, on compassionate grounds,</p>	<p>B30(5), TPSch 2, para 2(1)</p>	

the actuarial reduction applied to deferred benefits paid early under B30 (member)		
Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A (pensioner member with deferred benefits, i.e. a suspended tier 3 ill health pensioner)	B30A(5), TPSch 2, para 2(1)	
Grant application for early payment of deferred benefits on or after age 50 and before age 55	L31(2)	
Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early	L31(5) & TPSch 2, para 2(1)	
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	TPSch 2, para 1(2) & 1(1)(f) & R60	
Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds	TP3(5A)(vi) TL4 & L106(1) & D11(2)(c)	

Date Revised	Date Approved	Summary of Changes	Author