



**STATEMENT OF POLICY –  
LOCAL GOVERNMENT PENSION SCHEME (LGPS)  
EMPLOYER DISCRETIONS**

**GREATER MANCHESTER PENSION FUND**

**Key to regulations**

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

REGULATION	DISCRETION	POLICY ON INDIVIDUAL DISCRETIONS
<b>LGPS2014 scheme – compulsory discretions</b>		
<b>R16(2)(e) &amp; R16(4)(d)</b>	<b>Contributing to a Shared Cost Additional Pension Contribution Contract (SCAPC)</b> – This provision permits an employer to fund additional pension contributions to cover a period of absence, where the employee has opted for this arrangement. These absences are in respect of maternity and child related leave, reserve forces leave, absence for illness/injury and unpaid leave with permission. This does not cover absence due to trade union disputes	The Council will in the above instances pay in part, meeting two-thirds of the cost of the arrangement, only where the employee elects to do so within 30 days of their return to work
<b>R30(6) &amp; TP11(2)</b>	<b>Flexible retirement</b> – This provision permits an employer to allow a scheme member aged 55 and over, having reduced their hours or the grade, to receive all or part of their benefits and continue working in the reduced capacity	The Council will adopt this discretion and will assess on an individual basis considering future service provision those members aged 55 or over, having reduced their hours and/or grade who also wish to receive their accrued benefits (in part or in full) and continue working in the reduced capacity. This discretion is the subject of a bespoke policy and the decision to release benefits is delegated to the S.151

		Officer in conjunction with the Director of HR.
R30(8)	<b>Waiving actuarial reductions on flexible retirement</b> – This provision permits an employer to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement	Unless there are exceptional circumstances, the Council will not waive, in whole or in part, any reduction in benefits payable.  Decisions on exceptional circumstances will be made by the Council's S.151 Officer in conjunction with the Director of HR.
R30(8)	<b>Waiving actuarial reductions where benefits drawn voluntarily before NPA</b> – This provision permits an employer to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age (NPA)	Unless there are exceptional circumstances, the Council will not waive, in whole or in part, any reduction in benefits payable.  Decisions on exceptional circumstances will be made by the Council's S.151 Officer in conjunction with the Director of HR.
TPSch 2, para 2(2)	<b>Switching on the 85 rule</b> – This provision permits an employer to “switch on” the 85 rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	Unless there are exceptional circumstances, the Council will not “switch on” the 85 year rule.  Decisions on exceptional circumstances will be made by the Council's S.151 Officer in conjunction with the Director of HR.
TPSch 2, para 2(3)	<b>Waiving actuarial reductions where employer has switched on 85 rule</b> – This provision permits an employer 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 rule for a member voluntarily drawing benefits on or after age 55 and before age 60	Unless there are exceptional circumstances, the Council will not generally waive any actuarial reductions  Decisions on exceptional circumstances will be made by the Council's S.151 Officer in conjunction with the Director of HR.
R31	<b>Giving extra pension</b> – This provision permits an employer to give extra 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.)	Unless there are exceptional circumstances, the Council will not award additional pension  Decisions on exceptional circumstances will be made by the Council's S.151 Officer in conjunction with the Director of HR.
<b>2008 scheme – compulsory discretions</b>		
B30(2)	<b>Early payment of pension</b> - Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60	The Council will exercise this discretion where no financial liability to the Council arises.
B30(5)	<b>Waiving actuarial reductions where benefits drawn early under B30</b> - Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30	Unless there are exceptional circumstances, the Council will not generally waive any actuarial reductions  Decisions on exceptional circumstances will be made by the Council's S.151 Officer in conjunction with the Director of HR.
B30A(3)	<b>Early payment of pension: Pensioner member with deferred</b>	Unless there are exceptional circumstances, the Council will not exercise this discretion

	<b>benefits</b> - Whether to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60	Decisions on exceptional circumstances will be made by the Council's S.151 Officer in conjunction with the Director of HR.
<b>B30A(5)</b>	<b>Waiving actuarial reductions where benefits drawn early under B30A</b> - Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A	The Council will generally only exercise this discretion on compassionate grounds, taking into account any financial impact on the Council  Decisions on compassionate grounds will be made by the Council's S.151 Officer in conjunction with the Director of HR.
<b>1998 scheme – compulsory discretions</b>		
<b>L31(2)</b>	<b>Early payment of pension</b> - Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60	The Council will exercise this discretion where no financial liability to the Council arises.
<b>L31(5)</b>	<b>Waiving actuarial reductions where benefits drawn early</b> -Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early for a post 31 March 1998 / pre 1 April 2008 leaver or a councillor leaver	Unless there are exceptional circumstances, the Council will not generally waive any actuarial reductions  Decisions on exceptional circumstances will be made by the Council's S.151 Officer in conjunction with the Director of HR.
<b>L31(7A)</b>	<b>Optants out</b> - Councillor optants out and pre 1 April 2008 employee optants out only to get benefits paid from normal retirement date (NRD) if employer agrees	Unless there are exceptional circumstances, the Council will not exercise this discretion  Decisions on exceptional circumstances will be made by the Council's S.151 Officer in conjunction with the Director of HR.
<b>1995 scheme – recommended discretions</b>		
<b>D11(2)(c)</b>	<b>Early payment of pension</b> - Grant application from a pre-1 April 1998 leaver for early payment of deferred benefits on or after age 50 on compassionate grounds	Unless there are exceptional circumstances, the Council will not exercise this discretion  Decisions on exceptional circumstances will be made by the Council's S.151 Officer in conjunction with the Director of HR.