

**REPORT TO CABINET  
8<sup>th</sup> JULY 2014**

**LOCAL GOVERNMENT PENSION SCHEME REGULATIONS;  
TORFAEN CBC EMPLOYER DISCRETIONS – JUNE 2014**

*Report Written and Submitted by: Graeme Russell, Head of Human Resources and Pensions*

**1. Area Affected**

1.1 All Torfaen employees and Torfaen Members

**2. Purpose of Report**

2.1 To enable Cabinet to note existing pension related employer discretions and approve new discretions in respect of the Councils participation in the Greater Gwent (Torfaen) Pension Fund as required by the Local Government Pension Scheme (LGPS) Regulations.

**3. Recommendation(s)**

3.1 That Cabinet:

- i. note existing discretions operated by the Council;
- ii. approve the new employer discretions as they relate to the Local Government Pension Scheme 2014 as set out in this report and as required under LGPS Regulations; and
- iii. subject to approval, publish these written policies on the Council and Pension Fund website.

**4. Background**

4.1 The Council is a participating employer in the Greater Gwent (Torfaen) Pension Fund. It is therefore required, in accordance with the Local Government Pension Scheme Regulations, to set out a policy determining its discretions in relation to a number of matters covered by LGPS Regulations which primarily include:

- i. the Local Government Pension Scheme Regulations 2013;
- ii. the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014;
- iii. the Local Government Pension Scheme (Administration) Regulations 2008; and
- iv. the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended).
- v. The Local Government Pension Scheme (Transitional Provisions) Regulations 2008
- vi. The Local Government Pension Scheme Regulations 1997 (as

amended)

- 4.2 The Council currently has an approach to most of these matters but the LGPS 2013 Regulations and Transitional Regulations 2014 which underpin the new LGPS 2014 career average pension scheme require employers to approve a written policy on a number of new issues. This report provides a focus on these new discretions but for completeness includes the current approach in other areas. Whilst the 2013 and 2014 Regulations have only recently been published and introduced, the new 2014 employer discretions are required to have been published by 30<sup>th</sup> June 2014. Subject to Cabinet approval, these discretions will therefore be published on the Council and Pension Fund web sites.

## 5. Employer Discretion Requirements

- 5.1 The discretions required by each employer within the Fund under LGPS Regulations fall into a number of categories:
1. Those where a **published written policy** is required under the:
    - a. LGPS Regulations 2013
    - b. LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014
    - c. LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended)
    - d. LGPS Regulations 1997 (in relation to Active Councillor members and Pre 01.04.08 scheme leavers)
  2. Those which **do not require a published written policy** but which are required for day to day administration of the scheme
    - a. LGPS Regulations 2013
    - b. LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014
    - c. Local Government (Administration) Regulations 2008
    - d. the LGPS (Benefits, Membership and Contributions) Regulations 2007
    - e. The LGPS (Transitional Provisions) Regulations 2008
    - f. LGPS Regulations 1997 (in relation to Active Councillor members and Pre 01.04.08 scheme leavers)
    - g. LGPS Regulations 1995 (as amended) in relation to Pre 01.04.08 scheme leavers
  3. Those Employer Discretions relating to Compensation payments which are **not governed by Pension Regulations but which still require a written policy** under:
    - a. Local Government (Early Termination Of Employment) (Discretionary Compensation) England And Wales Regulations 2006 (As Amended)
    - b. Local Government (Early Termination Of Employment) (Discretionary Compensation) England And Wales Regulations 2000 (As Amended)
    - c. Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 relating to Leavers, Deaths and Reductions in Pay Which Occurred Post 15th January 2012.

- d. Local Government (Discretionary Payments) Regulations 1996 relating to Leavers, Deaths and Reductions in Pay Which Occurred Pre 16th January 2012.

5.2 This report shows the policy approach already in existence or proposed for Torfaen County Borough Council for the above, with the Appendices corresponding to the numbering above. There are however a number of Discretions which relate to technical regulatory aspects (Regulatory References 3c and 3d above) which are not included as they are subject to separate review. These discretions will be brought forward for approval in due course. The discretions where no written published policy is required also tend to cover day to day administrative operations and are shown within the Appendices 2a-2f for completeness only.

## 6. New Discretions

6.1 There are only 7 new written policy discretions required under the 2014 Scheme. These fall within either the Local Government Pension Scheme Regulations 2013 [prefix R in the table below] or the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [prefix TP in the table below]. The discretions and the suggested approach are set out below with more detailed explanation contained within the relevant appendix.

<u>Discretion</u>	<u>Proposed Policy</u>
1. Whether, how much, and in what circumstances to contribute to a Shared Cost Additional Pension Contribution Scheme <b>R16(2)(e)* &amp; R16(4)(d)*</b>	This enables a scheme member to buy additional pension or lost pension following a period of unpaid additional leave  <b>Proposal</b> TCBC will not enter into a Shared Cost Additional Pension Contribution Scheme arrangement except where a scheme member has elected to pay contributions to buy back lost pension following a period of unpaid leave
2. Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement) <b>R30(6)* &amp; TP11(2)</b>	This relates to whether an employer wishes to operate a flexible retirement scheme for scheme members  <b>Proposal</b> TCBC currently considers applications from members for flexible retirement with each case assessed on its own merits and supported by a robust business case. To qualify for flexible retirement an individual must either reduce their hours by a minimum of 20% or have a reduction of at least two grades. It is proposed that this remain unchanged.

<p>3. Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement <b>R30(8)*</b></p>	<p>Where a flexible retirement occurs, the Council has a choice of whether to waive the actuarial reduction to benefits because they are being paid early. Torfaen County Borough Council does not currently waive the actuarial reductions which are applied to the member's benefits.</p> <p><b>Proposal</b> Torfaen CBC will not waive the actuarial reductions on benefits in such cases.</p> <p>(The rule of 85 will apply automatically for flexible retirement)</p>
<p>4. Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age <b>R30(8)</b></p>	<p>Where a scheme member chooses to retire early, the Council has a choice of whether to apply the actuarial reductions to the early payment of benefits or to waive the actuarial reductions.</p> <p><b>Proposal</b> Waiving of actuarial reductions in such cases will be considered only where there is a clear financial or operational advantage to the Council in so doing which is supported by a robust business case and the strain cost can be mitigated by the salary saving over 2 years.</p> <p>Torfaen CBC will not waive the actuarial reductions on benefits which a former member voluntarily draws before normal pension age</p>

<p>5. Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60. <b>TPSch 2, paras and 2(2)*</b></p>	<p>This discretion replaces “employer consent” under the 2008 Scheme Regulations.</p> <p>Current Policy: under the previous regulations Torfaen CBC would have agreed in certain circumstances to the early payment of benefits to an active employee aged 55 or over on the grounds of employer consent. The 85 year rule would have automatically applied in these cases but un-protected benefits would have been reduced. The Council may therefore wish to retain the option of “switching on” the 85 year rule in cases where employer consent would previously have been applied where such action can be supported by a robust business case thereby avoiding redundancy or efficiency retirement options</p> <p><b>Proposal</b></p> <p>Torfaen CBC will consider applications from <b>active</b> members who wish to retire voluntarily and where it is in the interests of the Council. Where such action is taken, Torfaen CBC will consider switching on the 85 year rule protections only where there is a clear financial or operational advantage in so doing which is supported by a robust business case and the strain cost can be mitigated by the salary saving over 2 years.</p> <p>Torfaen CBC will not switch on the 85 year rule protections on benefits which a <b>former</b> member voluntarily draws before normal pension age.</p>
<p>6. Whether to waive on compassionate grounds, the actuarial reduction applied to benefits from pre 1st April 2014 membership where the employer has switched on the 85 year rule protections for a member voluntarily drawing benefits on or after age 55 and before age 60 <b>TP3(1), TPsch 2, paras 2(1) and 2(2), B30(5) and B30A(5)*</b></p>	<p><b>Proposal</b></p> <p>Where TCBC has agreed to switch on the 85 year rule protections under the terms of the above discretion (5) for an <b>active</b> member with pre 1<sup>st</sup> April 2014 membership, the Council will not waive any further actuarial reductions in benefits.</p> <p>TCBC will not switch on the 85 year rule protection on benefits which a <b>former</b> member voluntarily draws before normal pension age and the will not therefore waive any further actuarial reductions</p>

<p>7. 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.) R31*</p>	<p><b>Proposal</b> Torfaen County Borough Council will not agree to purchase additional pension for members of the LGPS primarily on the grounds of cost and the existing benefits already available to members.</p>
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## **Consultation**

7. Views have been sought on the reasonableness of these proposals from the Pension Fund Manager of the Greater Gwent (Torfaen) Pension Fund. This is because in framing our policies, the Council as an employer must have regard within the Regulations to:

7.1

- i. the extent to which the exercise of the discretionary powers could lead to a serious loss of confidence in the public service; and
- ii. be satisfied that the policy is workable, affordable, and reasonable

The approach within this report is deemed reasonable and consistent with other local authority employers within the Fund and more generally. Due to the time scales, consultation with trade unions is ongoing and will be updated to Cabinet at the meeting. In large part these approaches are consistent with that already adopted by the Council and are designed to be supportive to the employee but also workable from an employer perspective. The policies will also be subject to periodic review as necessary.

## **Action required**

8. To consider the Discretions set out in this report and if agreed, finalise and publish a written policy in respect of these discretions

8.1

## **Conclusions**

9. The new Local Government Pension Scheme requires new written employer Policy discretions in 7 areas. This report sets out those policies in paragraph 6 in a way designed to ensure that for Torfaen CBC they are workable, affordable, and reasonable. If agreed by Cabinet, they will be published in accordance with Regulatory requirements on the Councils and Pension Fund website.

9.1

## **Recommendations**

That Cabinet:

10.

10.1

- i. note existing discretions operated by the Council;
- ii. approve the new employer discretions as they relate to the Local Government Pension Scheme 2014 as set out in this

- iii. report and as required under LGPS Regulations; and subject to approval, publish these written policies on the Council and Pension Fund website.

<b>Appendix 1</b>	Torfaen County Borough Council; Schedule of Employer Discretions
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<b>Background Papers</b>	<ul style="list-style-type: none"> <li>• Local Government Pension Scheme Regulations 2013</li> <li>• Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014</li> <li>• The Local Government Pension Scheme (Administration) Regulations 2008</li> <li>• The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (As Amended)</li> <li>• The Local Government Pension Scheme (Transitional Provisions) Regulations 2008</li> <li>• The Local Government Pension Scheme Regulations 1997 ( As Amended)</li> <li>• The Local Government Pension Scheme (Transitional Provisions) Regulations 1997</li> <li>• The Local Government Pension Scheme Regulations 1995</li> <li>• Report to Cabinet; 18<sup>th</sup> January 2011- Scheme of Discretionary Compensation Payments</li> </ul>
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**For a copy of the background papers or for further information about this report, please telephone: Graeme Russell, Head of Human Resources and Pensions 01495 742625.**

**REQUIRE EMPLOYER WRITTEN POLICY  
EMPLOYING AUTHORITY DISCRETIONS  
UNDER  
LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 2013**

**Discretion: Whether, how much, and in what circumstances to contribute to a shared cost APC scheme**

**Regulation 16(2)(e) & 16(4)(d)**

A member can pay Additional Pension Contributions (APC's) to buy any or all of the pension they lost during a period of unpaid additional maternity, paternity or adoption leave. Where they make the election within 30 days of returning to work the employer must pay 2/3<sup>rd</sup> of the cost of the APC. This is known as a Shared Cost APC (SCAPC).

A member can also elect to make one off contributions or regular additional contributions in order to buy additional pension. An employer may elect to contribute towards the cost of purchasing the pension on a voluntary basis. The split in the cost between the employee and the employer can be any ratio as agreed but the employer cannot pay 100%.

A Shared Cost APC enables an employer to contribute towards the cost of additional pension benefits to a member of the LGPS. The maximum amount which can be awarded is an additional pension of £6500 per annum. The cost of providing this additional pension can be shared between the employee and the employer with the employer paying from 1% to 99% of the cost. The cost can be paid as one lump sum or may be spread over a period not exceeding the number of years to the members normal retirement age.

Agreeing to enter into a SCAPC will impose additional costs on the Council.

The cost is calculated on the basis of Government Actuary Guidance and is related to the individual's age, sex and the amount of pension to be purchased. For Example the cost of purchasing an additional annual pension of £1000 for a 40 year old male would be £7740 with this cost being shared between the member and the employer in the proportion agreed

Current Policy: This is a new discretion under the LGPS 2014

**Impact:** Agreeing to enter into a SCAPC arrangement will impose additional costs on the Council. Agreeing to enter into a SCAPC may however assist the Council to recruit or retain staff in strategic posts

**Recommendation:**

**Torfaen County Borough Council will not enter into a SCAPC arrangement**

**Employer Policy:** Torfaen County Borough Council will not enter into a SCAPC arrangement with active members of the LGPS primarily on the grounds of cost and the existing benefits already available to members of the pension scheme



**Discretion: Whether all or some benefits can be paid if an employee reduces their hours or grade**

**Regulation 30(6) and Transitional Provisions and Savings Regulation 11(2)**

This discretion relates to the opportunity for a member to apply for flexible retirement. Under the rules relating to flexible retirement a member who has attained the age of 55 can apply to his / her employer to 'retire' from their current post and draw all or part of their pension benefits which they have accrued up to this date and continue working on either reduced hours or on a lower grade.

There can be a cost to the Council in agreeing to a request for flexible retirement.

Current Policy: Torfaen County Borough Council currently considers applications from members for flexible retirement. Each case is assessed on its own merits and is supported by a robust business case. To qualify for flexible retirement an individual must either reduce their hours by a minimum of 20% or have a reduction of at least two grades

**Options:**

- Continue with current practise of accepting applications from members for flexible retirement and considering each on its own merits
- Publish a policy stating
  - whether flexible retirement will be awarded where the member has reduced their hours and the proportionate reduction in whole time hours required
  - Whether flexible retirement will be awarded where a member has reduced their grade and the proportionate reduction in grade required.
  - whether flexible retirement will be granted where there is a cost to the employer.
  - The requirement for all applications to be supported by a robust business case
  - The period over which any costs are to be recoverable

Or

- To no longer permit flexible retirement

**Impact :**

- Accepting applications from staff for flexible retirement can assist the council in retaining essential skills where the members would otherwise leave the authority.
- Granting flexible retirement contributes to family friendly policies and enables staff to phase in the transition from working to retirement.
- The lack of any guidelines regarding the required reduction in hours or grade could lead to applications which lack substance.
- There are circumstances where granting flexible retirement will impose additional costs on the Council which must be paid to the pension fund in accordance with Regulations

**Recommendation: TCBC will consider applications from members for flexible retirement with each case assessed on its own merits and supported by a robust business case. To qualify for flexible retirement an individual must either reduce their hours by a minimum of 20% or have a reduction of at least two grades.**

**Employing Authority Policy:** Applications for flexible retirement will only be considered

on a reduced working hours basis and will only be considered where contracted hours are reduced by a minimum of 20%; or a reduction in at least 2 grades

Applications for flexible retirement must be supported by a robust business case by the relevant Service Area, is at the discretion of the Council and will normally only be supported where the release of pension benefits impose no cost to the Council. In exceptional circumstances where there is a cost to the Council the costs must be recoverable through savings over a 2 year period

**Discretion: Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement  
Regulation 30(8)**

Where flexible retirement is granted in accordance with the employer's policy the benefits are paid to the member subject to any early retirement reductions which apply. The member must draw all of their pre 1<sup>st</sup> April 2008 benefits and may elect to draw all, some or none of their post 31<sup>st</sup> March 2008 and post 31<sup>st</sup> March 2014 benefits. Where a member elects to draw only part of their benefits there are less potential costs to the employer and the member can defer drawing their post 31<sup>st</sup> March 2008 and/or their post 31<sup>st</sup> March 2014 until they fully retire or the reductions which would otherwise apply are reduced. The employer may however waive in whole or in part the actuarial reduction which would otherwise apply and pay the cost to the pension fund.

**Current Policy: Torfaen County Borough Council does not waive the actuarial reductions which are applied to the member's benefits.**

**Options:**

- Continue with current practise
- Set out the circumstances where the actuarial reduction will be waived

**Impact of decision:**

- Waiving the actuarial reductions applied to the members benefits will impose additional costs on the Council

**Recommendation: Torfaen CBC will not waive the actuarial reductions on benefits in such cases.**

**Employing Authority Policy:** Torfaen County Borough Council will not waive the actuarial reductions which are applied to the member's benefits.

**Regulation 30(8) Whether to waive in whole or in part the actuarial reduction on benefits paid where a member voluntarily elects to draw their benefits before normal pension age**

**Transitional Provisions and Savings Regulation Schedule 2 paragraph and 2(2)  
Whether to switch on the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60**

Under the Regulations where a Scheme Employer grants early retirement to a member who is aged 55 or over on the grounds of redundancy, business efficiency, flexible retirement a strain cost may be payable to the Pension Fund.

The Scheme Employer also has discretion as to whether to waive any actuarial reduction which would otherwise apply to the payment of early retirement benefits where a member

voluntarily applies for their pension to be brought into payment at age 55 or over which may also impose a strain cost on the employer. Under the Regulations the Scheme Employer has discretion with regard to the waiving of actuarial reductions in whole or in part where benefits are paid where a member voluntarily draws their pension before normal pension age and there is a separate discretion under the Transitional Regulations as to whether the 85 year rule protections are to be switched on.

This discretion replaces employer consent under the 2008 scheme Regulations but also relates to former employees who subsequently apply for the early payment of their deferred benefits.

A separate discretion is therefore required for active members aged 55 or over who apply for their pension to be brought into payment on voluntary early retirement (former Employer Consent) and for former employees who apply for the early payment of their deferred pension from age 55 or over.

**Current Policy:** These are new discretions under the 2014 scheme regulations. However under the previous regulations Torfaen CBC would have agreed in certain circumstances to the early payment of benefits to an employee aged 55 or over on the grounds of employer consent. The 85 year rule would have automatically applied in these cases but un-protected benefits would have been reduced. The Council may therefore wish to retain the option of switching on the 85 year rule in cases where employer consent would previously have been applied where such action can be supported by a robust business case thereby avoiding redundancy of efficiency retirement options.

The Council has not previously granted approval for the early payment of deferred benefits at age 55 or over and before age 60 and therefore switching on the 85 year rule would be more generous than the former policy.

**Recommendation: Waiving of actuarial reductions will be considered only where there is a clear financial or operational advantage in so doing which is supported by a robust business case and the strain cost can be mitigated by the salary saving over 2 years.**

**Recommendation: Torfaen CBC will consider switching on the 85 year rule protections only where there is a clear financial or operational advantage in so doing which is supported by a robust business case and the strain cost can be mitigated by the salary saving over 2 years.**

**Employing Authority Policy:** Torfaen CBC will consider applications from active members who wish to retire voluntarily:

- a. where it is in the interests of the Council,
- b. where such action can be supported by a robust business case and
- c. the strain cost can be mitigated by the salary saving over 2 years

In such cases, Torfaen CBC will consider switching on the 85 year rule protections but will not waive any other actuarial reductions which would otherwise apply.

Torfaen CBC will not switch on the 85 year rule protections or waive the actuarial reduction on benefits which a former member voluntarily draws before normal pension age.

**Transitional Provisions and Savings Regulation 3(1), Schedule 2 paragraph 2(1)**

and 2(2), Benefit Regulations 30(5) and 30A(5)

**Whether to waive on compassionate grounds, the actuarial reduction applied to benefits from pre 1<sup>st</sup> April 2014 membership where the employer has switched on the 85 year rule protections for a member voluntarily drawing benefits on or after age 55 and before age 60**

**Recommendation:**

**Employing Authority Policy:** Where TCBC has agreed to switch on the 85 year rule protections under Transitional Provisions and Savings Regulation Schedule 2 paragraph and 2(2) for an active member with pre 1<sup>st</sup> April 2014 membership, the Council will not waive any further actuarial reductions in benefits.

TCBC will not switch on the 85 year rule protection on benefits which a former member voluntarily draws before normal pension age and the will not therefore waive any further actuarial reductions.

**Regulation 31: 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 £6500 p.a.)**

Under Regulation 31 an employer can award additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or efficiency by up to £6500. This discretion replaces Augmentation which was a discretion under the 2008 scheme.

**Impact**

Agreeing to an award of additional pension would impose additional costs on the Council. The cost is calculated on the basis of Government Actuary Guidance and is related to the individuals age, sex and the amount of pension to be purchased. For example, the cost of purchasing an additional annual pension of £1,000 for a 40 year old male would be £7,740. This discretion was previously available under the 2008 scheme Regulations with a limit on the amount of pension which could be awarded of £5,000. The maximum amount of additional pension which may now be purchased is £6,500 per annum. Agreeing to award additional pension will impose additional costs on the Council, however agreeing to award additional pension may assist the Councils in the recruitment and retention of staff in strategic posts.

**Current Policy:** Torfaen County Borough Council does not currently agree to purchase additional pension for members of the Pension Fund.

**Recommendation:**

**Torfaen County Borough Council will not agree to purchase additional pension for members of the LGPS primarily on the grounds of cost and the existing benefits already available to members. Employing Authority Policy:** Torfaen County Borough Council will not agree to purchase additional pension for members of the LGPS primarily on the grounds of cost and the existing benefits already available to members

**EMPLOYING AUTHORITY DISCRETIONS  
UNDER  
LOCAL GOVERNMENT PENSION SCHEME  
(BENEFITS, MEMBERSHIP AND CONTRIBUTIONS)  
REGULATIONS 2007 (AS AMENDED)**

**Benefit Regulation 12: Whether, for a member leaving on the grounds of redundancy or efficiency on or before 31<sup>st</sup> March 2014, to Augment membership (by up to 10 years**

The maximum period of Augmented membership which can be awarded is 10 years. Where augmented membership is awarded there is a cost to the employer which must be paid to the pension fund in accordance with the discretion under Administration Regulation 40(2), (4) and (9)(b)

Current Policy: Torfaen County Borough Council does not award augmented membership where a member is retired on the grounds of Redundancy or efficiency of the service.

**Policy:** Torfaen County Borough Council will continue with its current policy and will not award augmented membership.

**Benefit Regulation 30(2): Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60**

Granting an application for the early payment of deferred benefits on or after age 55 and before age 60 would, impose a cost on the Council which must be paid to the pension fund in accordance with the Regulations

Current policy: Torfaen County Borough Council does grant an application for the early payment of deferred pension benefits after age 55 and before age 60

**Policy:** Torfaen County Borough Council will not grant an application for the early payment of deferred pension benefits after age 55 and before age 60

**Benefit Regulation 30(5): Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early**

Where the Council has agreed to the early payment of deferred benefits on compassionate grounds in cases of financial hardship the Council will incur a cost. The waiving of actuarial reductions would incur additional costs

**Policy :** Torfaen County Borough Council will not grant an application for the early payment of deferred pension benefits after age 55 and before age 60 therefore the waiving of actuarial reductions on deferred benefits paid early on compassionate grounds does not apply.

**Benefit Regulation 30A(3) whether to grant an application for the early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60**

Granting an application for the early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60 will impose a cost on the Council.

**Policy:** Torfaen CBC will not grant an application for the early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60.

**Benefit regulation 30A(5) Whether to waive, on compassionate grounds the actuarial reductions applied to the early payment of a suspended tier 3 ill health pension**

**Policy:** Torfaen CBC will not grant the early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60 and will not therefore waive any actuarial reductions

**EMPLOYING AUTHORITY DISCRETIONS  
UNDER  
LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 1997  
(AS AMENDED)  
IN RELATION TO ACTIVE COUNCILLOR MEMBERS AND PRE 01.04.08 SCHEME  
LEAVERS**

**1997 Regulation 31(2): Grant application from a post 31.03.98 / pre 01.04.08 leaver or from a councillor for early payment of benefits on or after age 55 and before age 60.**

Current Policy: Torfaen County Borough Council does not grant the early payment of pension benefits after age 55 and before age 60 for members who left under the 1997 Regulations as this would impose a cost on the Council. The Council will also not grant the early release of pension benefits to Councillor members on or after age 55 and before age 60 as there would be a cost to the Council

**Policy:** Torfaen County Borough Council will not grant the early release of deferred benefits or the early payment of pensions to Councillor members after age 55 and before age 60

**1997 Regulation 31(5): Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early for a post 31.03.98 / pre 01.04.08 leaver or councillor leaver**

**Policy:** Torfaen County Borough Council will not grant the early release of deferred benefits or the early payment of pensions to Councillor members after age 55 and before age 60 and will not therefore waive the actuarial reductions which would apply.

**1997 Regulation 31(7A)**

**Councillor optants out and pre 1<sup>st</sup> April 2008 employee optants out only to get benefits paid from NRD if employer agrees**

An active member of the scheme can only receive payment of their pension benefits once they have left their employment (unless they are granted flexible retirement. An optant out should not therefore be able to access their pension whilst they are still an active employee

**Policy:** Torfaen CBC will not permit an optant out to access their pension whilst they are still in active employment.

## Discretions which do not require a published written policy

**EMPLOYING AUTHORITY DISCRETIONS  
UNDER  
LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 2013**

**Schedule 2 Part 3 paragraph 12(c) (Transferor Employer) Whether in respect of an admission body providing a service in respect of outsourced work, to set off against payments due to that body any sums due to the Fund**

A Transferor Scheme Employer is party to the Admission Agreement whereby a function of the Scheme Employer is transferred, together with the employees, to an Admission Body.

Under the terms of the Admission Agreement the liability of the admission body can be secured by a Bond or Guarantor. If the Bond or Guarantor is not sufficient to cover the liabilities outstanding at the date the Admission is terminated then the Transferor scheme employer is ultimately responsible for the debt.

Where the Admission Body is in breach of the agreement, due to the non payment of employee and employer contributions it would be prudent for the transferor scheme employer to set off payments due to the transferee admission body against payments due to the pension fund and pay these sums to the pension fund.

**Policy:** Torfaen County Borough Council will agree to set off against payments due to an admission body sums due to the Pension Fund in circumstances where the Pension Fund has been unable to recover the sums due from the Admission Body or from any Bond or Guarantor.

**Regulation 9(1) & 9(3) Determine rate of employees contributions**

Each employer need to determine the salary band applicable to each member of the pension scheme for each post taking account of those elements which constitute pensionable pay under the Regulations and notify the employee of the contribution rate to be applied.

The contribution rate payable by an employee must be re-assessed on an annual basis as at 1<sup>st</sup> April each year. The employer can also determine whether to adjust the employees contribution rate during the year and in what circumstance

Any shortfall in the employee's contribution will be reflected in the rate of employer's contributions which is adjusted at each valuation.

**Regulation 20(1)(b): Specify in an employee's contract what other payments or benefits, other than those specified in Regulation 20(1)(a) and not otherwise precluded by Regulation 20(2) are to be pensionable**



The Regulations specify payments which constitute pensionable pay and which are precluded. It is however for the employer to decide which other payments or benefits are to be pensionable

**Policy:** Torfaen County Borough Council will assess the employee contribution rate to be applied to each employee for each separate post in accordance with the terms and conditions contained in the employees contract relating to pensionable payments and benefits. This will be done on a period by period basis for pay purposes and also on an annual basis as at 1<sup>st</sup> April and will notify each employee of the contribution rate to be applied

Torfaen CBC will re-assess the employee contribution rate each period where there has been a change in the employees contract during the year which has resulted in an increase or decrease in their pensionable pay for that post

In circumstance where an employee is on variable hours or works non contractual the contribution rate will be adjusted at each pay period to reflect the amount earned in that pay period.

Torfaen CBC will promptly notify the GG(T)PF of any changes in the contribution rate applied to an employee

**Regulation 21(5) In determining assumed pensionable pay, whether a lump sum payment made in the previous 12 months is a regular lump sum**

**Policy:** Torfaen CBC will assess each case on its merits and in determining assumed pensionable pay, will make a further determination as to whether a lump sum payment made in the previous 12 months is a regular lump sum

**Regulation 17(1) & Transitional Provisions and Savings Regulation 15(1)(d) & Administration Regulation 25(3): Whether, how much, and in what circumstances to contribute to a shared cost AVC arrangement**

A member can pay Additional Voluntary Contributions (AVC's) to build up a fund with one of the insurance company in house AVC providers. An employer may elect to also contribute to the AVC policy. Agreeing to enter into a SCAVC will impose additional costs on the Council.

Current Policy: Torfaen CBC does not agree to contribute to the SCAVC arrangement

**Employer Policy:** Torfaen County Borough Council will not enter into a SCAVC arrangement

**Regulation 19(2) and Administration Regulations 47(2): No right to return of contributions due to an offence of a fraudulent character or grave misconduct unless employer directs a total or partial refund is to be made**

**Policy:** Torfaen County Borough Council will not direct that a total or partial refund is

made.

**Regulation 22(8)(b) Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment**

**Regulation 22(7)(b) Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with an on-going concurrent employment**

**Policy:** Torfaen CBC will not extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with either a new employment or a concurrent employment

**Regulation 37(3) & (4) Determine whether a person in receipt of tier 3 ill health pension has started gainful employment**

When a member is awarded tier 3 ill health benefits they must be informed in writing by HR that:

- The tier 3 ill health pension will be reviewed after 18 month
- That it will cease after 3 years
- That the individual must inform HR if they undertake any employment and that HR will then determine whether this employment constitutes gainful employment under the LGPS Regulations and if so the pension will cease
- That if the member's condition deteriorates they can apply for the tier 3 pension to be upgraded to tier 2 at any time

**Policy:** Torfaen CBC will determine whether a person in receipt of tier 3 ill health pension has started gainful employment

**Regulation 37(3) Whether to recover any overpaid tier 3 pension following commencement of gainful employment**

**Policy:** Torfaen CBC will recover any overpaid tier 3 pension following commencement of gainful employment

**Regulation 38(3): 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, which ever is sooner**

**Policy:** Torfaen CBC will obtain up to date medical evidence from the member in support of their claim and will utilise the services of the Council Occupational Health and IRMP in carrying out this responsibility.

The Head of Human Resources and Pensions will make a first instance decision, based on the evidence available, as to whether the deferred beneficiary meets the criteria of being permanently incapable of their former employment because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years, which ever is sooner.

**Regulation 38(6) Decide whether a suspended ill health tier 3 member is unlikely to**

**be capable of undertaking gainful employment before normal pension age because of ill health.**

**Policy:** Torfaen CBC will obtain up to date medical evidence from the member in support of their claim and will utilise the services of the Council Occupational Health and IRMP in carrying out this responsibility.

The Head of Human Resources and Pensions will make a first instance decision, based on the evidence available, as to whether the suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health

**Regulation 91(1) & (8) and Administration Regulation 72(1) & (6) Whether to apply to the Secretary of State for a forfeiture certificate (where a members is convicted of a relevant offence**

Where a member is convicted of an offence in connection with his employment and because of this offence he leaves his employment the Employer may apply to the Secretary of State for a forfeiture certificate. The forfeiture certificate empowers the employer to recover any financial loss incurred as a result of the employee member's action from the member's pension benefits.

**Policy:** Torfaen County Borough Council will where a member is convicted of a relevant offence, apply to the Secretary of State for a forfeiture certificate

**Regulation 91(4) and Administration Regulations 72(3) : Where a forfeiture certificate is issued, whether to direct that benefits are to be forfeited (other than rights to GMP)**

Where a certificate is issued the employer may direct that the members pension benefits are forfeit

**Policy:** Where a certificate is issued Torfaen County Borough Council direct that the members pension benefits are forfeited

**Regulation 92(1) & (2) and Administration Regulations 73(1) & (2): Where a forfeiture certificate is issued whether to direct interim payments out of the Pension Fund until a decision is taken to either apply the certificate or to pay benefits.**

In applying to the secretary of state for a forfeiture certificate to be issued the employer should have already decided on the steps to be taken once the forfeiture certificate is issued. The adoption of this discretion only serves to prolong the process unnecessarily.

**Policy:** Torfaen County Borough Council will not direct interim payments out of the Pension Fund but will move to apply the forfeiture certificate in full

**Regulation 93(2) and Administration Regulations 74(2): Whether to recover from the fund any monetary obligation or, if less, the value of the member's benefits ( other than transferred in pension rights or APC's, AVC's or GMP's ) where the obligation**

**was incurred as a result of a grave misconduct or a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment.**

**Policy:** Torfaen County Borough Council will from the fund any monetary obligation or, if less, the value of the member's benefits ( other than transferred in pension rights or APC's, AVC's or GMP's ) where the obligation was incurred as a result of a grave misconduct or a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment.

**Regulation 95 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 Reg 91 or recovery under Reg 93 should deprive the member or the member's surviving spouse or civil partner of any GMP entitlement**

**Policy:** Torfaen CBC will deprive the member or the member's surviving spouse or civil partner of any GMP entitlement where the member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts

**Regulation 98(1)(b): Agree to bulk transfer payment**

**Policy:** Torfaen County Borough Council will agree to a bulk transfer payment in accordance with advise received from the Administering Authority and the Pension Fund Actuary

**100(68) Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS**

**Policy:** Torfaen County Borough Council will not to extend the 12 month option period for electing to transfer previous pension benefits.

**EMPLOYING AUTHORITY DISCRETIONS  
UNDER  
LOCAL GOVERNMENT PENSION SCHEME (TRANSITIONAL PROVISIONS, SAVINGS  
& AMENDMENT REGULATIONS 2014**

**Transitional Provisions & Savings Regulation Schedule 1 & 15(1)(b) & 1997 Regulation 66(8) & 66(9)(b) Allow late application to convert scheme AVC's into membership credit ie. Allow application more than 30 days after cessation of active membership (where AVC was entered into before 13/11/01**

**Policy:** Torfaen CBC will not allow a late application to convert scheme AVC's into membership credit

**Transitional Provisions & Savings Regulation 12(6) Whether to use a certificate produced by an IRMP under the 2008 Scheme for the purpose of making an ill health determination under the 2014 Scheme**

**Policy:** Torfaen CBC will use a certificate produced by an IRMP under the 2008 Scheme where the individual was assessed by the IRMP prior to 1<sup>st</sup> April 2014

**Transitional Provisions & Savings Regulation 3(6), 4(6)(c), 8(4), 10(2)(a), 17(2)(b) & Benefit Regulation 11(2) Whether to allow a member to select final pay period for fees to be any 3 consecutive years ending 31<sup>st</sup> March in the 10 years prior to leaving**

**Policy:** Torfaen CBC will allow a member to select final pay period for fees to be any 3 consecutive years ending 31<sup>st</sup> March in the 10 years prior to leaving

**EMPLOYING AUTHORITY DISCRETIONS  
UNDER THE LOCAL GOVERNMENT (ADMINISTRATION) REGULATIONS 2008**

**Administration Regulation 49(1) & (2): Contribution Equivalent Premium (CEP) in excess of the Certified Amount (CA) recovered from a refund of contributions can be recovered from the Pension Fund**

**Policy:** Torfaen County Borough Council will not recover the contributions equivalent premium from the pension fund

**Administration Regulations 74(2): Whether to recover from the fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVC's/SCAVC's ) 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.**

**Policy:** Torfaen County Borough Council will recover from the fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or APC's, AVC's or GMP's ) 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.

**Administration Regulation 76(2) & (3) Whether to recover from the fund any financial loss caused by fraudulent offence or grave misconduct of the an employee (who has left because of that), or the amount of a refund if less**

**Policy:** Torfaen CBC will recover from the fund any financial loss caused by fraudulent offence or grave misconduct of the an employee (who has left because of that), or the amount of a refund if less

**EMPLOYING AUTHORITY DISCRETIONS  
UNDER  
LOCAL GOVERNMENT PENSION SCHEME  
(BENEFITS, MEMBERSHIP & CONTRIBUTIONS) REGULATIONS 2007**

**Regulation 31(4): Decide whether deferred beneficiary meets permanent ill health and reduced likelihood of gaining employment criteria**

**Policy:** Torfaen CBC will obtain up to date medical evidence from the member in support of their claim and will utilise the services of the Council Occupational Health and IRMP in carrying out this responsibility.

The Head of Human Resources and Pensions will make a first instance decision, based on the evidence available, as to whether the deferred beneficiary meets the criteria of being permanently incapable of their former employment because of ill health and has a reduced likelihood of gaining employment.

**Regulation 31(7) Decide whether a suspended ill health tier 3 member is permanently incapable of undertaking gainful employment**

**Policy:** Torfaen CBC will obtain up to date medical evidence from the member in support of their claim and will utilise the services of the Council Occupational Health and IRMP in carrying out this responsibility.

The Head of Human Resources and Pensions will make a first instance decision, based on the evidence available, as to whether the suspended ill health tier 3 member is permanently incapable of undertaking gaining employment.

**EMPLOYING AUTHORITY DISCRETIONS  
UNDER  
LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 1997  
(AS AMENDED)  
IN RELATION TO ACTIVE COUNCILLOR MEMBERS AND PRE 01.04.08 SCHEME  
LEAVERS**

<p><b>1997 Regulation 7(9)(a) Allow a councillor who has opted out more than once to rejoin</b></p> <p><b>Policy:</b> Torfaen County Borough Council will permit a councillor, who has opted out more than once to rejoin the Pension Fund</p>
<p><b>1997 Regulation 18(6) &amp; (7): Allow a late application by a councillor member to pay optional contributions for a period of absence</b></p> <p><b>Policy:</b> Where Torfaen County Borough Council notifies the member of the option on their return to work then the period will not to be extended. Where Torfaen County Borough Council fails to notify the member of the option, then the period will be extended to 30 days from the date of notification by the employer.</p>
<p><b>1997 Regulation 22(1)(b) Allow a post 31<sup>st</sup> March 1998 pre 1<sup>st</sup> April 2008 non-councillor leaver to select final pay period for fees to be a period of not less than 3 or more than 5 years back from date of leaving</b></p> <p><b>Policy:</b> Torfaen County Borough Council will allow a post 31<sup>st</sup> March 1998 pre 1<sup>st</sup> April 2008 non-councillor leaver to select final pay period for fees to be a period of not less than 3 or more than 5 years back from date of leaving.</p>
<p><b>1997 Regulation 23(4) Issue a certificate of protection of pension benefits where an eligible non-councillor member fails to apply for one (pay cuts/restrictions occurring pre 1<sup>st</sup> April 2008)</b></p> <p><b>Policy:</b> Torfaen County Borough Council will issue a certificate of protection of pension benefits where an eligible non-councillor member fails to apply for one (pay cuts/restrictions</p>
<p><b>1997 Regulation 32(8): Whether to extend 12 month period for aggregation of deferred benefits (where deferred councillor member wishes to aggregate with current councillor membership in the same fund)</b></p> <p><b>Policy:</b> Torfaen County Borough Council will not extend the 12 month option period for aggregation of deferred benefits.</p>
<p><b>Regulation 34(1)(b): Decide, in the absence from a post 31.03.98 / pre 01.04.08 leaver of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme</b></p>



<p><b>membership</b></p> <p><b>Policy:</b> Torfaen County Borough Council will decide which benefit is to be paid on the basis of the higher amount</p>
<p><b>Regulation 71(7)(a) Consent to a member's former employer assigning to the new employer rights under any SCAVC life assurance policy (pre 1<sup>st</sup> April 2008 non councillor leavers)</b></p> <p><b>Policy:</b> Torfaen County Borough Council will not enter into a SCAVC and will not therefore consent to a member's former employer assigning to the new employer rights under any SCAVC life assurance policy</p>
<p><b>1997 Regulation 88(2): No right to return on contributions due to offence of a fraudulent character unless employer directs a total or partial refund is to be made (councillor and pre 01.04.08 leaver)</b></p> <p><b>Policy:</b> Torfaen County Borough Council will not direct for a total or partial refund to be made where the member has committed an offence of a fraudulent character.</p>
<p><b>Regulation 89(1) &amp; (2): Employer may deduct contributions from a councillor's pay or reserve forces pay</b></p> <p><b>Policy:</b> Torfaen County Borough Council will deduct contributions from a councillor's pay or reserve forces pay</p>
<p><b>Regulation 92: Contribution Equivalent Premium (CEP) in excess of the Certified Amount (CA) recovered from a refund of contributions can be recovered from the Pension Fund (councillor leavers and pre 01.04.08 leavers)</b></p> <p><b>Policy:</b> Torfaen County Borough Council will not recover the contributions equivalent premium from the pension fund</p>
<p><b>Regulation 111(2) &amp; (5): Forfeiture of pension rights on issue of Secretary of State's certificate (councillors and pre 01.04.08 leavers)</b></p> <p><b>Policy:</b> Torfaen County Borough Council will apply a forfeiture of pension rights certificate issued by the Secretary of State</p>
<p><b>Regulation 112(1): Where forfeiture certificate is issued, direct interim payments out of the Pension Fund until decision is taken to either apply the certificate or to pay benefits (councillors and pre 01.04.08 leavers)</b></p> <p>In applying to the secretary of state for a forfeiture certificate to be issued, the employer should have already decided on the steps to be taken once the forfeiture certificate is issued. The adoption of this discretion only serves to prolong the process unnecessarily.</p>

**Policy:** Torfaen County Borough Council will not direct interim payments out of the Pension Fund but will move to apply the forfeiture certificate in full.

**Regulation 113(2): Recovery from Fund of monetary obligation owed by former employee or, if less, the value of the member's benefits (other than transferred in pension rights) (councillors and pre 01.04.08 leavers)**

**Policy:** Torfaen County Borough Council will recover from the fund any monetary obligation owed by former employee or, if less, the value of the member's benefits (other than transferred in pension rights) (councillors and pre 01.04.08 leavers)

**Regulation 115(2) & (3): Recovery from Fund of financial loss caused by employee, or amount of refund if less (councillors and pre 01.04.08 leavers)**

**Policy:** Torfaen County Borough Council will recover from the Pension Fund any financial loss caused by employee, or amount of refund if less (councillors and pre 01.04.08 leavers)

**EMPLOYING AUTHORITY DISCRETIONS  
UNDER  
LOCAL GOVERNMENT PENSION SCHEME  
REGULATIONS 1995 (AS AMENDED)  
IN RELATION TO PRE 01.04.08 SCHEME LEAVERS**

**Regulation D10: Decide, in the absence from a pre 01.04.98 leaver of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership**

**Policy:** Torfaen County Borough Council will make a determination and will award the higher of the benefits payable where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership.

**Regulation D11(2)(c) Grant application from a pre 1<sup>st</sup> April 1998 leaver for early payment of deferred benefits on or after age 50 on compassionate grounds**

**Policy:** Torfaen County Borough Council will not grant an application from a pre 1<sup>st</sup> April 1998 leaver for early payment of deferred benefits on or after age 50 on compassionate grounds

**These are Employer discretions are not governed by Pension Fund Regulation  
WRITTEN POLICY REQUIRED  
EMPLOYING AUTHORITY DISCRETIONS  
UNDER THE  
LOCAL GOVERNMENT (EARLY TERMINATION OF EMPLOYMENT)  
(DISCRETIONARY COMPENSATION) ENGLAND AND WALES REGULATIONS 2006  
(AS AMENDED)**

**Regulation 5: To base redundancy payments on an actual weeks pay where this exceeds the statutory weeks pay limit**

**Policy:** Torfaen County Borough Council will continue its existing policy that redundancy payments will be based on the actual weeks pay where this exceeds the statutory minimum.

**Regulation 6: To award lump sum compensation of up to 104 weeks pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of joint appointment**

Torfaen County Borough Council currently awards enhanced redundancy payments of up to 60 weeks ( a multiplier of 2 applied to the statutory redundancy) to employees in cases of retirement due to redundancy.

**Policy:** The provisions of the Councils Scheme will **continue** to be as follows:

- Over 55 and made redundant – immediate release of pension benefits plus enhanced compensation based on double the amount of statutory redundancy up to a maximum of 60 weeks (actual) pay;
- Under 55 – no release of pension benefits but will receive enhanced compensation based on double the amount of statutory redundancy up to a maximum of 60 weeks (actual) pay;
- For those staff not in the LGPS, enhanced compensation as described above.

Employees who terminate their employment on the grounds of efficiency will receive pension entitlement only in accordance with the LGPS Regulations

**Regulation 11(2) To award compensation added years to a person aged 50 or over with 5 or more years membership (or notional membership) of the LGPS in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment which occurred after 30<sup>th</sup> September 2006 and before 1<sup>st</sup> April 2007 (but only if employment had commenced pre 1<sup>st</sup> October 2006)**

**Policy:** Torfaen County Borough Council will not award compensation added years to a person aged 50 or over with 5 or more years membership (or notional membership) of the LGPS in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment which occurred after 30<sup>th</sup> September 2006 and before 1<sup>st</sup> April 2007 (but only if employment had commenced pre 1<sup>st</sup> October 2006)

**EMPLOYING AUTHORITY DISCRETIONS  
UNDER THE  
LOCAL GOVERNMENT (EARLY TERMINATION OF EMPLOYMENT)  
(DISCRETIONARY COMPENSATION) (ENGLAND AND WALES)  
REGULATIONS 2000 (AS AMENDED)**

**Regulation 21(4): How to apportion any surviving spouse's or civil partner's annual compensatory added years payment where the deceased person is survived by more than one spouse or civil partner**

**Policy:** Torfaen County Borough Council gather evidence relating to the dependants of the deceased employee and will make a determination as to the apportionment of any surviving spouse's or civil partner's annual compensatory added years payment where the deceased person is survived by more than one spouse or civil partner

**Regulation 25(2): How it will decide to whom any children's annual compensatory added years payments are to be paid where children's pensions are not payable under the LGPS (because the employee had not joined the LGPS) and, in such a case how the annual added years will be apportioned amongst the eligible children**

**Policy :** Torfaen County Borough Council will make a determination based on the definition of eligible child as contained within the LGPS Regulations and will apply the apportionment equally between the eligible children.

**Regulation 21(7): Whether, in respect of the spouse of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal pension suspension rules should be disapplied i.e. whether the spouse's or civil partner's annual compensation added years payments should continue to be paid**

**Policy:** Torfaen County Borough Council will not suspend the pension payable to a spouse or civil partner who remarries, enters into a civil partnership or cohabits after 1<sup>st</sup> April 1998.

**Regulation 21(5): If, under the preceding decision, the authority's policy is to apply the normal suspension rules, whether the spouse's or civil partner's annual compensatory added years payment should be reinstated after the end of the remarriage, new civil partnership or cohabitation.**

**Policy:** Torfaen County Borough Council will not suspend the pension under Regulation 21(7) and this discretion does not therefore apply.

**Regulation 17: Whether and to what extent to reduce or suspend the member's annual compensatory added years payment during any period of re-employment in local government**

**Policy:** Torfaen County Borough Council will reduce or suspend the member's annual

compensatory added years payment to the extent that, when added to the pay from his/her new employment and any financial benefit under the LGPS regulations the amount is greater than the pay he/she would have had if he/she had remained in the terminated employment increased by Price Inflation.

**Regulation 19: How to reduce the member's annual compensatory added years payment following the cessation of a period of re-employment in local government**

**Policy:** Torfaen County Borough Council will reduce or suspend the member's annual compensatory added years payment in accordance with the Regulations.