

City and County of Swansea Pension Fund
Cronfa Bensiwn Dinas a Sir Abertawe



Administered by:
The City and County of Swansea



Discretions

Date of Issue: June 2014

1. Introduction

- 1.1 This document sets out below the discretions to be applied within the City and County of Swansea Pension Fund
- 1.2 In formulating and reviewing its policy, the Fund must have regard to the extent to which the exercise of its discretionary powers could lead to serious loss of confidence in the public service
- 1.3 Whilst this Policy Statement sets out the general position, the Fund must consider every application on its merit. Where there are extraordinary or justifiable circumstances, a departure from policy may be appropriate.

2. Mandatory Discretions under LGPS 2014

- 2.1 Administering Authorities, for the LGPS in England and Wales are required to formulate, publish and maintain a written statement of policy on certain discretions set out in the Local Government Pension Scheme Regulations.

2.2 **Flexible Retirement**

The Administering Authority will determine whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.

N.B. This is an Administering Authority Discretion where an employer has become defunct.

Policy

The Administering Authority may use its discretion to determine not to apply all or part of this reduction.

However, this discretion will only be used where there is a robust business case justifying the cost.

2.3 **Waiving of actuarial reduction**

The Administering Authority will determine whether to waive any actuarial reduction that would be applied to an active LGPS member, age 55 or over who voluntary retires.

N.B. This is an Administering Authority Discretion where an employer has become defunct.

Policy

The Administering Authority will consider the merits of the application submitted

2.4 Abatement of pre 1 April 2014 element of pension following re-employment

The Administering Authority will determine whether to abate the pre 1 April 2014 element of pensions in payment following re-employment.

Policy

The Administering Authority resolves to abate the pre 1 April 2014 element of pensions in payment following re-employment in accordance with the regulations

2.5 Governance

The Administering Authority must state whether it delegates its function or part of their function in relation to maintaining a pension fund to a committee, a sub-committee or an officer of the admin authority and, if so, state:

- the frequency of any committee or sub-committee meetings
- the terms, structure and operational procedures appertaining to the delegation
- whether representatives of employing authorities or members are included and, if so, whether they have voting rights

The policy must also state

- the extent to which a delegation, or the absence of a delegation, complies with Sec of State guidance and, to the extent it does not so comply, state the reasons for not complying, and
- the terms, structure and operational procedures appertaining to the local Pensions Board

Policy

The Governance of the City and County of Swansea Pension Fund is set out in the Governance Compliance Statement

2.6 Funding Strategy

The Administering Authority must determine the funding strategy for inclusion in the Funding Strategy Statement

Policy

The funding strategy of the City and County of Swansea Pension Fund is set out in the Funding Strategy Statement

2.7 Communication

The Administering Authority must set out the policy on provision of information and publicity to, and communicating with, members, representatives of members, prospective members and Scheme employers;

the format, frequency and method of communications; and the promotion of the Scheme to prospective members and their employers.

Policy

The City and County of Swansea Pension Fund's communication policy is set out in the Communications Policy Statement

3. Optional Discretions under LGPS 2014

3.1 There are a number of other discretions which Administering Authorities may exercise under the LGPS Regulations 2013, where a written policy is not required; however, it is appropriate that these are listed to ensure clarity on the Fund's stance on these matters.

3.2 Payment of APC/SCAPC

The Administering Authority will determine whether to turn down a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is very small and could be paid as a single payment).

Policy

The Administering Authority will consider each case on its own merits; however will generally exercise this discretion when the cost to administer such payments exceeds the overall sum to be paid.

3.3 Require a medical before accepting an APC/SCAPC application

The Administering Authority will determine whether to require a satisfactory medical before agreeing to an application to pay an APC/SCAPC

Policy

The Administering Authority will exercise this discretion, requiring all scheme members electing to enter into additional pension contracts to undergo a medical examination

3.4 Permit a late transfer in of previous pension rights

The Administering Authority, with the agreement of the Scheme employer, will determine whether to permit a Scheme member to elect to transfer other pension rights into the LGPS if the member has not made an election within 12 months of joining the Scheme.

Policy

Extensions only to be allowed in exceptional circumstances and where the delay was outside of the member's control

3.5 Death Grant payment

The Administering Authority will determine to whom a death grant is paid on the death of a member

Policy

The Administering Authority resolves to pay the death grant under the instructions received via the *'Death Grant – Expression of Wish form'*. Where there is any doubt as to the validity of the deceased member's wishes; where an expression of wish is challenged; or where the expression of wish is unreasonable, will consider each case on its merits.

Payment will be made to any person appearing to the authority to have been a relative or dependent of the deceased at any time.

3.6 AVC/SCAVS monies payable upon death

The Administering Authority will determine to whom any AVC/SCAVC monies(including life assurance monies) are paid on the death of a member

Policy

The Administering Authority resolves to pay the AVC monies under the instructions received via the *'Death Grant – Expression of Wish form'*. Where there is any doubt as to the validity of the deceased member's wishes; where an expression of wish is challenged; or where the expression of wish is unreasonable, will consider each case on its merits.

Payment will be made to any person appearing to the authority to have been a relative or dependent of the deceased at any time.

3.7 Pension Administration Strategy

The Administering Authority will determine whether to have a written pensions administration strategy and, if so, the matters it should include.

Policy

The Administering Authority has resolved that it will have a written pensions administration strategy – see Pension Administration Strategy Statement

4. **Summary of the discretions to be exercised on and after 1 April 2014 in relation to scheme members (excluding councillor members) who ceased active membership between 1 April 2008 and 31 March 2014**

4.1 Administering Authorities are required to prepare, publish and review a written policy in relation to:

4.2 Abatement of pensions following re-employment

The Administering Authority will determine whether to abate pensions in payment following re-employment.

Policy

The Administering Authority resolves to abate pensions following re-employment in accordance with the regulations

4.3 Early payment of deferred pension benefits

The Administering Authority will determine whether to grant applications for the early payment of deferred pension benefits on or after age 55 and before age 60.

N.B. This is an Administering Authority Discretion where an employer has become defunct.

Policy

The Administering Authority will consider each case on its own merits

4.4 Waive actuarial reduction on compassionate grounds

The Administering Authority will determine whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits or suspended tier 3 ill health pensions which are paid before age 65.

N.B. This is an Administering Authority Discretion where an employer has become defunct.

Policy

The Administering Authority will consider each case on its own merits

4.5 Early payment of suspended tier 3 ill health pension

The Administering Authority will determine whether to grant applications for the early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60.

N.B. This is an Administering Authority Discretion where an employer has become defunct.

Policy

The Administering Authority will consider each case on its own merits

5. **Summary of the discretions to be exercised on and after 1 April 2014 in relation to active councillor members, councillor members who ceased active membership on or after 1 April 1998 and any other scheme members who ceased active membership between 1 April 1998 and 31 March 2008**

5.1 Administering Authorities are required to prepare and keep under review a written policy in relation to:

5.2 **Abatement of pensions following re-employment**

The Administering Authority will determine whether to abate pensions in payment following re-employment (councillors and pre 1.4.08 leavers).

Policy

The Administering Authority resolves to abate pensions following re-employment in accordance with the regulations

6 **Miscellaneous**

6.1 Any change to the discretions exercised under the LGPS Regulations will take immediate effect from the date the changes to the policies are agreed