

## South Derbyshire District Council Policy Statement on Employer Mandatory Discretions – 1<sup>st</sup> April 2019

In line with the Local Pension Scheme Regulation (as amended), the Council sets out how it will apply the mandatory discretions provided within the regulations.

Discretion	Regulation	South Derbyshire District Council (SDDC) Published Discretion
<u>Discretions relating to current contributing employees and leavers after 31/03/2014</u>		
Whether, how much, and in what circumstances to contribute to a shared cost Additional Pension Contribution (APC) Scheme	R16(2)(e) & R16(4)(d)	The Council will not normally exercise this discretion but may consider it under exceptional circumstances taking into account the business case and foreseeable costs to the Council and for such cases to be determined by the Finance and Management Committee as required.
Whether, at full cost to the Scheme employer, to grant extra annual pension of up to £6,822 (figure at 1 April 2018) to an active member or within six months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency	R31	The Council will not normally grant any additional pension to an active member or within six months of ceasing to be an active member whose employment by reason of redundancy or business efficiency but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer and for such cases to be determined by the Finance and Management Committee as required.
Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.	R30(8)	The Council will not normally exercise this discretion but may consider it under exceptional circumstances taking into account the business case and foreseeable costs to the Council and for such cases to be determined by the Finance and Management Committee as required.

**APPENDIX 1**

Whether to waive any actuarial reduction on pre and/or post 1 <sup>st</sup> April 2014 benefits paid early on compassionate grounds.	TP3(1), TPSch 2, paras 2(1)	The Council will not normally exercise this discretion but may consider it under exceptional circumstances taking into account the business case and foreseeable costs to the Council and for such cases to be determined by the Finance and Management Committee as required.
Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60	TP Sch 2 paras 1(2) and 2(2)	The Council will not normally exercise this discretion but may consider it under exceptional circumstances taking into account the business case and foreseeable costs to the Council and for such cases to be determined by the Finance and Management Committee as required.
Whether all or some benefits can be paid if an employee over 55 reduces their hours of work or grade (flexible retirement)	R30(6) & TP11(2)	The Council's policy is that all pension benefits are to be paid for cases agreed on reduction of hours or grade. See the Council's Flexible Retirement Policy for further details.
Whether to waive, in whole or part, actuarial reduction on benefits paid on flexible retirement.	R30(8)	The Council will not normally waive the actuarial reduction for routine flexible retirement but will consider on a case by case basis waving in whole or part for workforce reduction flexible retirements. See the Council's Flexible Retirement Policy for further details.
<u>Discretions relating to leavers 01/04/2008 to 31/03/2014</u>		
Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30.	B30(5), TPSch 2, Para 2(1)	The Council will not normally exercise this discretion but may consider it under exceptional circumstances taking into account the business case and foreseeable costs to the Council and for such cases to be determined by the Finance and Management Committee as required.

**APPENDIX 1**

Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A for a suspended tier 3 member	B30A(5), TPSch 2, Para 2(1)	The Council will not normally exercise this discretion but may consider it under exceptional circumstances taking into account the business case and foreseeable costs to the Council and for such cases to be determined by the Finance and Management Committee as required.
Whether to “switch on” the 85 year rule for a deferred member voluntarily drawing benefits on or after age 55 and before age 60	TP Sch 2 paras 1(2) and 2(2)	The Council will not normally exercise this discretion but may consider it under exceptional circumstances taking into account the business case and foreseeable costs to the Council and for such cases to be determined by the Finance and Management Committee as required.
Whether to “switch on” the 85 year rule for a suspended tier 3 member voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, para 1(2) and 1(1)(c)	The Council will not normally exercise this discretion but may consider it under exceptional circumstances taking into account the business case and foreseeable costs to the Council and for such cases to be determined by the Finance and Management Committee as required.
<u>Discretions relating to leavers 01/04/1998 to 31/03/2008 and councillors</u>		
Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early	31(5) and TPSch 2, para 2(1)	The Council will not normally exercise this discretion but may consider it under exceptional circumstances taking into account the business case and foreseeable costs to the Council and for such cases to be determined by the Finance and Management Committee as required.

**APPENDIX 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) and 1(1)(f) and R60	The Council will not normally exercise this discretion but may consider it under exceptional circumstances taking into account the business case and foreseeable costs to the Council and for such cases to be determined by the Finance and Management Committee as required.
Grant application for early payment of deferred benefits on or after age 50 and before age 55.	31(2)	The Council will consider early release on a case by case basis, taking into account the business case, HMRC unauthorised payment charges and foreseeable costs to the employer
Optants out only to get benefits paid from Normal Retirement Date if employer agrees.	31(7A)	The Council’s policy is to allow optants out to only get benefits paid from Normal Retirement Date.
<u>Discretions relating to leavers before 01/04/1998</u>		
Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds	TL4, L106(1) & D11(2) (c)	The Council will consider early release on a case by case basis, taking into account the business case, HMRC unauthorised payment charges and foreseeable costs to the employer