

WILTSHIRE COUNCIL

Staffing Policy Committee
24 November 2010

LOCAL GOVERNMENT PENSION SCHEME (LGPS) – EMPLOYER DISCRETIONS

Purpose of Report

1. To recommend to the Committee that Wiltshire Council adopts the former Wiltshire County Council's policy on Employer Discretions within the Local Government Pension Scheme, to cover all Wiltshire Council employees.

Background

2. Most elements of LGPS are defined by Act of Parliament. However, there are some limited elements which employers have the freedom to decide.
3. The LGPS requires employers prepare and publish a written statement of policy in relation to these elements.
4. Prior to 'One Council' the former Wiltshire County Council and the former District Councils implemented separate discretions policies through their own constitutions. Following the dissolution of these former employers, Wiltshire Council must publish a policy to cover all its employees, in order to satisfy the requirements of LGPS.

Main Considerations for the Council

5. The Council is required by statute to publish a statement of its policy on specified employer discretions.
6. The Employer Discretions Policy is a technical document, for the purposes of satisfying LGPS statutory regulations. A copy of the former Wiltshire County Council's policy is attached. (This is the template provided by Wiltshire Pension Fund.)
7. As the continuing employer at transition to 'One Council' was Wiltshire County Council, many of its employment policies were adopted as the default policies for all Wiltshire Council employees. It would be appropriate therefore to follow this practice with regard to the Employer Discretions Policy.

Environmental Impact of the Proposal

8. Nil.

Risk Assessment

9. Technically, Wiltshire Council does not have a discretions policy in place. The Wiltshire Pension Fund would be within its rights not to allow the Council to exercise any of the statutory discretions until one is in place (i.e. no pre-60 early retirements or flexible retirements). It is understood that this is the position the Fund has taken with some other employers.

10. Without a published policy in place, Wiltshire Council is in breach of its statutory obligations.

Financial Implications

11. There is no additional cost incurred by Wiltshire Council in publishing the Employer Discretions Policy.

Options Considered

12. Since there is a statutory requirement to publish an Employers Discretion Policy the options for consideration were limited.
13. It is understood that the former District Councils and the former County Council followed broadly similar policies. Theoretically it would have been possible to have adopted one of the former District Council's policies, however this would have been a departure from practice with regard to other employment policies.

Reasons for Proposal

14. To ensure that Wiltshire Council fulfils its statutory obligation to publish an Employer's Discretions policy for the Local Government Pension Scheme.

Proposal

15. That Wiltshire Council adopts the former Wiltshire County Council's Employers Discretions policy in relation to LGPS regulations.

Barry Pirie

Director of HR & OD

Report Authors: Diane Haines & Susan Coleman

The following unpublished documents have been relied on in the preparation of this Report: