

Administering Authority Discretion Policies

Training item

24 June 2021

Agenda

Background

Objectives of the policy and general approach

Key discretions

Q & A

Background

The LGPS Regulations generally dictate how the Scheme is administered and details the benefits of the Scheme.

Regulations allow for certain decisions to be made either by employers or the Fund (the “Administering Authority”).

It is a requirement for the Fund to outline their policy discretions in a “Administering Authority Discretions Policy”.

The current policy is available to view on the Fund’s website and was last fully reviewed in March 2021 (at which time the Committee approved it but asked for more training information at this meeting).

Objectives of the policy and general approach

Transparency: To provide transparency to decision making

Consistency: To treat members consistently (where situations are comparable)

To act reasonably: To aim to meet the test that an average person (with relevant knowledge) would consider policy decisions as being 'reasonable' to the member and justifiable.

Balance: To balance the Fund's and employer financial interests (i.e. cost to taxpayers), the member's interest and the efficiency and practicality of certain policy decisions on the administration of the Scheme.

Pragmatism: To avoid creating unnecessary bureaucracy or rigid procedures which put up unnecessary complications or barriers for the member, Fund or employer.

Complaint management: To reduce the likelihood of complaints and appeals.

Key existing policy areas

- **12 - Issue employers with notice to recover additional costs incurred as a result of employer's level of performance**
- **13 – Charge employers interest on payments overdue by more than 1 month**
- **14 – Require a satisfactory medical before agreeing application to pay APC**
- **25 – Require strain costs to be paid “up front”**
- **36 – Decide policy on abatement of pensions following re-employment**

Key existing policy areas (continued)

- **38 – Extend normal time limit for acceptance of transfer value beyond 12 from joining LGPS**
- **39 – Allow transfer of (non-club) pension rights into the Fund**
- **43 – Pay a child’s pensions to another person for the benefit of that child**
- **45 – Decide to whom a death grant is paid**
- **46 – Decide evidence required to determine financial dependence of cohabiting partner or financial interdependence**
- **48 – Decide to commute small pensions**

Questions?
