

**Progressive**  
employer

**Employers' Discretions Policy  
Statement on Local Government  
Pension Scheme and Local  
Government (Early Termination of  
Employment)(Discretionary  
Compensation)(England and Wales)  
Regulations 2006  
February 2007**



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## 1 Background

New regulations came into force on 1 April 1998 which gave Salisbury District Council, as an employer, discretions in relation to the Local Government Pension Scheme. Under Regulation 106, employers are required to produce a policy statement which gives details of their decisions in relation to these discretions. The Regulations were updated and amended in October 2006 and this policy statement incorporates these amendments.

## 2 Introduction

In determining the policy in respect of the exercise of discretion Salisbury District Council has taken account of:

2.1 **Financial Implications** – The Council must control both potential short term and recurring financial pressures arising from these discretions

2.2 **Equality** – Pensions are subject to equal pay legislation.

2.3 **Workforce Needs** – The Council needs to have an appropriately skilled and experienced workforce, both for its immediate and long term needs.

## 3 Salisbury District Council Discretions under Local Government Pension Scheme Regulations

- **Regulation 15**

Employee contributions will not be waived for those officers with 40 or more years' membership of the Local Government Pension Scheme and who are aged below 60

- **Regulation 31**

Blanket consent will not be given to staff in membership of the Pension Scheme aged between 50 and 59 years to retire and draw immediate payment of pension benefits. All requests for such payments should be assessed on their merits and determined by Cabinet.

The waiving of actuarial reduction on compassionate grounds will be exercised by Cabinet in individual cases. Individual circumstances will be looked at according to the dictionary definition of compassion – "inclined to pity or mercy"

The actuarial cost of approved early retirements and early payment of benefits will be funded either immediately or over a three year period.

- Regulation 35(a)

Salisbury District Council will allow employees to take flexible retirement where there is no cost to the council.

- **Regulation 52**

Salisbury District Council will not adopt the augmentation of added years benefits by transferring the cost of discretionary added years from the District Council to the Pension fund.

Salisbury District Council will not exercise the discretion to enhance service on the termination of employment for reasons other than efficiency of the service, when this will be considered.

- **Regulation 67**

Salisbury District Council will not introduce a Shared Cost Additional Voluntary Contribution Scheme

### **3.Salisbury District Council Discretions under the Local Government (Early Termination of Employment)(Discretionary Compensation)(England and Wales) Regulations 2006**

- **Regulation 5**

Salisbury District Council will exercise its discretion to make redundancy payments based on employee's actual week's pay.

- **Regulation 6**

Salisbury District Council will exercise its discretion to enhance redundancy payments by applying a multiplier of 2.5 to the statutory number of weeks paid.

#### **4 Other Decisions made by the Pension Administering Authority**

- **Regulation 109**

Wiltshire County Council, as Administering Authority, and in consultation with employers in the Wiltshire Pension Fund will apply abatement only in cases where the pension has been enhanced for example ill health or redundancy cases.

Abatement will occur where total income from the pension and pay from the new job exceeds leaving pay in the job from which the pension arose.

Where there is a gap between retiring and recommencement an adjustment will be made to take into account inflation.

Abatement will be restricted to the element of pension relating to the enhanced service.

As Salisbury District Council will not be granting Augmented Service on grounds of redundancy any additional service awarded would, therefore, be under the Local Government (Early Termination of Employment)(Discretionary Compensation)(England and Wales) Regulations 2000. There is no discretion under this regulation and where abatement applies an adjustment must be made to the compensatory pension awarded.

- **Spouses Pensions**

Cessation of the payment of pension will not apply to current pensioners where remarriage or cohabitation takes place on or after 1 April 1998.