

The Police and Crime Commissioner for Lincolnshire



Statement of Policy Regarding the Exercise of Discretions with the Local Government Pension Scheme

Police and Crime Commissioner for Lincolnshire

and

Chief Constable for Lincolnshire

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Introduction

From 1 April 2014 the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 came into force.

Under these regulations, Scheme employers are required to have a statement of policy concerning a number of discretions made available to them throughout the Regulations.

For the Office of the Police and Crime Commissioner for Lincolnshire and the Chief Constable for Lincolnshire these discretions are outlined in this document.

For active and deferred members of the Local Government Pension Scheme to request consideration of any discretions you will need to refer to the Exercising Discretions Policies Procedure.

Discretions from 1.4.14 in relation to post 31.3.14 active members and post 31.3.14 leavers, being discretions under:

- The Local Government Pension Scheme Regulations 2013 [prefix R]
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [prefix TP]
- The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [prefix B]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]
- The Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]

Discretion	Regulation	Employer Policy
To whom to offer membership of the LGPS (designation bodies)	R3(1)(b) & RSch 2, part 2	Not applicable as the Force is a scheduled Body
Which employees to designate for membership (admission bodies)	R3(1)(c) & R4(2)(b)	Not applicable as the Force is a scheduled Body
Determine rate of employees' contributions	R9(1) & R9(3)	Employee contribution bandings are allocated on an annual basis on the 1 April based on salary as at 1 April plus allowances as at 1 April plus overtime/honorarium from the previous year In the case of new starters, where no pay data is available for the preceding 12 months, starting pay and associated allowances if applicable, will be used to determine a nominal full year salary and contributions rates based on this amount
Whether, how much, and in what circumstances to contribute to a shared cost APC scheme	R16(2)(e) & R16(4)(d)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure and where Regulations require the employer to share the costs with the employee
Whether, how much, and in what circumstances to contribute to a shared cost AVC arrangement entered into on or after 1.4.14	R17(1) & definition of SCAVC in RSch 1	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure and where Regulations require the employer to share the costs with the employee
Whether, how much, and in what circumstances to contribute to a shared cost AVC arrangement entered into before 1.4.14	TP15(1)(d) & A25(3)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure and where Regulations require the employer to share the costs with the employee
Allow late application to convert scheme AVCs into membership credit i.e. allow application more than 30 days after cessation of active	TP15(1)(b) & L66(8) & former L66(9)(b)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure

membership (where AVC arrangement was entered into before 13.11.01)		
No right to return of contributions if member left due to offence of a fraudulent character or grave misconduct unless employer directs a total or partial refund is to be made	R19(2)	The expectation is that a refund of contributions would not be made to employees who are dismissed from their employment as a result of fraudulent misconduct however the decision to allow a partial or full refund will be considered in exceptional circumstances
Specify in an employee's contract what other payments or benefits, other than those specified in R20(1)(a) and not otherwise precluded by R20(2), are to be pensionable	R20(1)(b)	Individual's terms and conditions document any allowances which are payable and pensionable
In determining Assumed Pensionable Pay, whether a lump sum payment made in the previous 12 months is a "regular lump sum"	R21(5)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment	R22(8)(b)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with an ongoing concurrent employment	R22(7)(b)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)	R30(6) & TP11(2)	Dealt in accordance with the Force's Flexible Retirement Policy
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement	R30(8)	Dealt in accordance with the Force's Flexible Retirement Policy
Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age	R30(8)	Dealt in accordance with the Force's Flexible Retirement Policy
Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60	TPSch 2, paras 2(1) and 2(2)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure

Whether to waive any actuarial reduction on pre and/or post April 2014 benefits	TP3(1), TP Sch 2, paras 2(1) and 2(2), B30(5) and B30A(5)	<p>Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure</p> <p>The definition of compassion is situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child parent) leading to unavoidable financial hardship</p> <p>In all cases some form of independent corroboration will be required</p>
Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 pa)	R31	Dealt with on a case by case basis in accordance with Force Redundancy Policy
Whether to use a certificate produced by an IRMP under the 2008 Scheme for the purposes of making an ill health determination under the 2014 Scheme	TP12(6)	This discretion has not been adopted as the expectation would be to use the relevant forms for the 2014 scheme.
Determine whether a member is entitled to an ill health retirement pension, and what tier of benefit to be awarded.	R36	Dealt with in accordance with the Force Ill health retirement policy
Whether to recover any overpaid Tier 3 pension following commencement of gainful employment	R37(3)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Decide whether deferred beneficiary meets criteria of being permanently incapable of former job because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years, whichever is the sooner	R38(3)	Dealt with on a case by case basis taking into account medical advice from the independent medical practitioner
Decide whether a suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health	R38(6)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Whether to extend six month period to lodge a stage one IDR appeal	R74(4)	Extensions will not be given for the six month period to lodge a stage one IDR Appeal however this will be considered in

		exceptional circumstances
Whether to apply to Secretary of State for a forfeiture certificate (where member is convicted of a relevant offence)	R91(1) & (8)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Where forfeiture certificate is issued, whether to direct that benefits are to be forfeited (other than rights to GMP – but see R95 below)	R91(4)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Where forfeiture certificate is issued, whether to direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits	R92(1) & (2)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Whether to recover from Fund any monetary obligation or, if less, the value of the member's benefits (other than benefits from transferred in pension rights or APCs or AVCs or subject to R95 below, in respect of any GMP) where the obligation was incurred as a result of a grave misconduct or a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment	R93 (2)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Whether, if the member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts, forfeiture under R91 or recovery of a monetary obligation under R93 should deprive the member or member's surviving spouse or civil partner of any GMP entitlement.	R95	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	R100(68)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure and subject to the agreement of the Administering Authority.

Discretions in relation to scheme members who ceased active membership on or after 1.4.08 and before 1.4.14, being discretions under:

- The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 [prefix B]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]
- The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 [prefix TP]
- The Local Government Pension Scheme Regulations 2013 [prefix R]
- The Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]

Discretion	Regulation	Employer Policy
Whether, for a member leaving on the grounds of redundancy or business efficiency on or before 31 st March 2014, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving. Hence this discretion is spent entirely after 30 th September 2014.	B12	Dealt with on a case by case basis in line with Force Redundancy Policy
Allow late application to convert scheme AVCs into membership credit i.e. allow application more than 30 days after cessation of active membership	Tsch1 & L66(8) & former L66(9)(b)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
No right to return of contributions due to offence of a fraudulent character or grave misconduct unless employer directs a total or partial refund is to be made	A47(2)	The expectation is that a refund of contributions would not be made to employees who are dismissed from their employment as a result of fraudulent misconduct however the decision to allow a partial or full refund will be considered in exceptional circumstances
Whether to apply to Secretary of State for a forfeiture certificate (where member is convicted of a relevant offence)	A72(1) & (6)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Where forfeiture certificate is issued, whether to direct that benefits are to be forfeited	A72(3)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Where forfeiture certificate is issued, whether to direct interim payments out of Pension Fund until decision is taken to either apply the	A73(1) & (2)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure

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certificate or to pay benefits		
Whether to recover from Fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs/SCAVCs) where the obligation was incurred as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment	A74(2)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Whether to recover from Fund any financial loss caused by fraudulent offence or grave misconduct of employee (who has left because of that), or amount of refund if less	A76(2) & (3)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60	B30(2)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30	B30(5)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure The definition of compassion is situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child parent) leading to unavoidable financial hardship In all cases some form of independent corroboration will be required
Whether to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60	B30A(3)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure
Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A	B30A(5)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure The definition of compassion is situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child parent) leading to unavoidable financial hardship In all cases some form of independent

		corroboration will be required
Decide whether deferred beneficiary meets permanent ill health and reduced likelihood of gainful employment criteria	B31(4)	Dealt with on a case by case basis taking into account medical advice from the independent medical practitioner
Decide whether a suspended ill health tier 3 member is permanently incapable of undertaking any gainful employment	B31(7)	Dealt with on a case by case basis taking into account medical advice from the independent medical practitioner

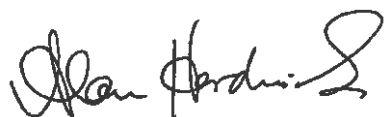
Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. Also, any part of the benefits which had accrued after 5 April 2006 would generate a scheme sanction charge.

Discretions under the Local Government Pension Scheme Regulations 1995 (as amended) in relation to pre 1.4.98 scheme leavers

Discretion	Regulation	Employer Policy
Grant application from a pre 1.4.98 leaver for early payment of deferred benefits on or after age 50 on compassionate grounds (see Note below)	D11(2)(c)	Dealt with on a case by case basis in line with the Exercising Discretionary Policies procedure The definition of compassion is situations of severe personal distress resulting from non-financial circumstances affecting the individual or close relative (eg spouse, child parent) leading to unavoidable financial hardship In all cases some form of independent corroboration will be required
Decide, in the absence from a pre 1.4.98 leaver of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership	D10	Dealt with on a case by case

Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. However, as the benefits had accrued prior to 6 April 2006, they would not generate a scheme sanction charge.

I warrant that the above policies reflect the policy intention of Office of the Police and Crime Commissioner for Lincolnshire and the Chief Constable for Lincolnshire as at October 2014.



Signed:.....

Position: Police and Crime Commissioner
For Lincolnshire



Signed:.....

Position: Chief Constable for Lincolnshire