



## **Northern Ireland Local Government Pension Scheme** **Policy Statement on Employer's Discretions**

### **1. Introduction**

1.1 Under regulation 108 of the Local Government Pension Scheme Regulations (Northern Ireland) 2002, which come into operation on 1 February 2003, Antrim Borough Council is required to publish and keep under review a Statement of its Policy on certain discretions, which it can exercise under the Regulations.

1.2 In formulating this Policy Statement Antrim Borough Council has ensured that its discretionary powers:

- have been exercised reasonably
- will not be used for ulterior motive
- will be used with regard to all relevant factors
- will be duly recorded when used.

1.3 Antrim Borough Council's overarching policy in relation to all of the following discretions is that it will only incur additional cost if it is deemed to be justified in terms of efficiency and benefit to the Council. The only possible exception would be requests for benefits on compassionate grounds.

1.4 In applying this Policy Statement Council confirms that its discretions will be applied reasonably and will not be fettered and will be used when necessary to assist Council attracting and retaining staff and in paying staff to leave.

### **2. Regulation 33 - Employee's and Former Employee's request to retire early**

#### **2.1 Background**

2.1.1 From age 50, employees who are members of the Pension Scheme and former employees with deferred benefits for membership after 31 January 2003 have the right to apply for early payment of their benefits subject to the consent of Antrim Borough Council if they are under age 60.

2.1.2 Employees or former employees who are aged 60 or over do not require Council's consent to retire early.

2.1.3 If the employee's or former employee's age and membership (in whole years) is less than 85 years reduced benefits are payable. This is known as the "85 Year Rule".



2.1.4 Antrim Borough Council may on compassionate grounds waive the reduction in benefits when the 85-year rule is not satisfied.

## 2.2 **Policy Discretion**

2.2.1(a) The discretion: To allow employees aged over 50 and less than 60 who request to leave to receive their benefits early.

2.2.1(b) *Each request from existing staff members will be judged equally on its own merits and this discretion will only be exercised on compassionate grounds or when the cost of funding the early retirement can be offset by the cost saving of release within a three-year period.*

2.2.2 (a) The discretion: To allow former employees over age 50 and less than 60 with preserved benefits for membership after 31 January 2003 to receive early payment of their benefits.

2.2.2(b) *Early payment of benefits for former employees will not be considered unless in exceptional circumstances on compassionate grounds.*

2.2.3(a) The discretion: To waive the reduction to benefits where the 85-year rule is not satisfied for employees and former employees allowed to retire over age 50 and under age 60 and for employees and former employees who voluntarily retire over age 60.

2.2.3(b) *Requests to waive the reduction in benefits where the 85-year rule is not satisfied will be considered only on compassionate grounds.*

## 2.3 **Exercising Discretion on Compassionate Grounds**

2.3.1 *Each request on compassionate grounds for either the early payment of benefits and / or a request to waive the reduction in benefits where the 85-year rule is not satisfied will be considered on its own merits regardless of cost. In support of its deliberations Council may take into account all factors and require whatever information, documentation and supporting evidence it considers relevant.*

## 3. **Regulation 54 - To grant additional membership to members who leave over age 50**

### 3.1 Background

3.1.1 Antrim Borough Council has power to increase Scheme membership for employees who are scheme members who leave employment aged 50 or over. The additional period of membership awarded must not exceed the shortest of:



- the member's total membership.
- 40 years minus the member's total membership.
- potential membership from the date of leaving to age 65.
- 6 years 243 days.

### **3.2 Policy Discretion**

3.2.1 *This discretion will only be exercised in cases of retirement on redundancy or in the interests of efficiency of the service.*

## **4. Regulation 55 - To grant additional membership to new employees**

### **4.1 Background**

4.1.1 This discretion allows Antrim Borough Council to grant additional years service to new employees. The additional membership must be granted within 6 months of the employee becoming a scheme member and the employee must be aged less than 59 when joining the scheme.

4.1.2 The service granted must not exceed the maximum allowed by the Inland Revenue after taking account of any period for any retained benefits in any other pension arrangement and will be the shorter of:

- the period by which the members potential period of membership to age 65 falls short of 40 years
- the member's potential period of membership to age 65.

4.1.3 The additional period granted will not count as part of the member's total membership if the member leaves before being entitled to an immediate pension

### **4.2 Policy Discretion**

4.2.1 *The award of additional years to a new employee under Regulation 55 is not an integral part of the Council's recruitment policy. The application of this discretion will only be exercised in rare and exceptional circumstances and where financial and operational considerations justify it.*



## **5. Regulation 69 - To introduce a Shared Cost AVC Arrangement**

### **5.1 Background**

5.1.1 Antrim Borough Council may establish and maintain a Shared Cost Additional Voluntary Contribution Scheme (SCAVC) to provide a top up pension or death in service cover for employees.

### **5.2 Policy Discretion**

5.2.1 *Antrim Borough Council does not intend to establish a Shared Cost Additional Voluntary Contribution Scheme at this time.*

## **6. Regulation 6 (9) (a) - Re-entry to the Scheme for members who have opted out**

### **6.1 Background**

6.1.1 Antrim Borough Council has the discretion to allow an employee who has opted-out of the Scheme more than once to re-join the Pension Scheme.

### **6.2 Policy Discretion**

6.2.1 *Antrim Borough Council will make an individual decision taking into account the medical history of the individual to allow employees who have opted out of the scheme more than once to rejoin.*

## **7. Regulation 14 - Contribution Waiver where Scheme Membership exceeds 40 years**

### **7.1 Background**

7.1.1 Antrim Borough Council has the discretion to reduce or waive an employee's standard contribution once the employee has completed 40 years Scheme membership in local government employment excluding any transferred in service.

### **7.2 Policy Discretion**

7.2.1. *This discretion will be exercised for employees who complete 40 years scheme membership in local government employment. The employee's contributions will be waived and paid by the Council from the date 40 years service is attained until the employee reaches age 60 (at which time employee contributions will recommence) or retires.*



## **8. Implementation**

8.1 The Policy Statement was approved by Antrim Borough Council on 5 June 2003

8.2 Policy discretions will be subject to review in three years time.