

**PENSION DISCRETIONS POLICY UNDER THE LOCAL GOVERNMENT PENSION SCHEME (SCOTLAND) REGULATIONS 2018**

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**1. EXECUTIVE SUMMARY**

- 1.1. The Local Government Pension Scheme (Scotland) Regulations 2018 require the Council to agree and publish a Policy on Discretions.
- 1.2. The Council's existing discretions policy was approved on 25 June 2015. The Policy now needs to be reviewed to ensure it meets the legislative requirements following the introduction of the Local Government Pension Scheme (Scotland) Regulations 2018.
- 1.3. The new discretions are shown at Appendix 1.
- 1.4. There are no financial implications arising from this report.



extenuating circumstances that prevented the employee doing so within the 12 month period.

- 4.6 The recommendation for the remaining new discretions is to maintain a flexible approach by considering each case on its individual merits and, where applicable, a sound business case can be made to support the granting of the discretion.
- 4.7 The other changes to the Policy are:
- Some regulation numbers have changed but the discretion has remained the same.
  - Removal of references requiring Council permission to retire between ages 55 and 60 as amended by 2018 Regulations.
  - Three discretions have been removed as they have been superseded in the 2018 Regulations.
- 4.8 The Council must ensure when exercising discretions that it is transparent, fair and affordable in light of continuing financial pressures. The Policy must also have regard to the extent to which the exercise of its discretionary powers could lead to a serious loss of confidence in the public service.
- 4.9 The Policy should also meet the principles of good practice recommended by Audit Scotland in the Managing Early Departures report published in May 2013, in particular the re-employment of an employee who received a redundancy package and calculating the cost of redundancy to include the cost of compensatory added years. These continue to be covered in the Policy Statement. The report on Early Departures covering the costs and savings made during the period 19/20 is also on the agenda for this Policy and Resources Committee.
- 4.10 The updated Policy represents the Council's Policy Statement of Application of Discretions, Local Government Pension Scheme (Scotland) Regulations 2018 and once it is agreed for publication it must be provided to Strathclyde Pension Fund within one month of the date the policy is revised.

6.4	HR	None – the application of the discretions policy is monitored by HR to ensure consistency of approach.
6.5	Fairer Scotland Duty	
6.5.1	Equalities – Protected Characteristics	Discretions are determined by pension regulations with local authorities determining whether or not to exercise a specific discretion. A number of discretions are age specific but again this is not imposed by the Council but is a requirement of the Regulations. Nevertheless, discretions that are age specific may give rise to an adverse impact on account of age. To mitigate this impact, discretions will be applied in a fair, consistent and transparent manner.
6.5.2	Socio-Economic Duty	None - considered as part of the EqSEIA when proposing savings to service delivery and there are potential redundancies.
6.5.3	Islands	None - considered as part of the EqSEIA when proposing savings to service delivery and there are potential redundancies.
6.6	Risk	The Council must publish its Policy on Discretions under the Local Government Pension Scheme (Scotland) Regulations 2018. HR will monitor the application of the policy to ensure fairness and consistency.
6.7	Customer Service	The provision of a Policy on Discretions will make it clear to both current employees and deferred members the council's position on the discretions and in what circumstances they may be used.

**Executive Director with responsibility for Customer Support Services**

**Policy Lead: Mary-Jean Devon**

**Date: 21 September 2020**

**For further information contact:**

## APPENDIX 1 REVISIONS TO EXISTING POLICY

# Argyll and Bute Council Policy Statement on Application of Discretions, Local Government Pension Scheme (Scotland) Regulations 2018 (LGPS)

2018 (9) (6) (E) (2) (1) (C) / P 4 MC32.58 19D 12s 0 1 7

We are aware of our obligations under:

- the LGPS (Scotland) Regulations 2018
- the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014
- the LGPS (Scotland) Regulations 2014
- the LGPS (Administration) (Scotland) Regulations 2008 (in respect of leavers between 1 April 2009 and 31 March 2015)
- the LGPS (Scotland) Regulations 1998 (in respect of leavers between 1 April 1998 and 31 March 2009)

In developing our policy statement, we are aware that the LGPC has produced a document called “Discretions Policies” that contains tips for employers, see: <http://www.lgpsregs.org/index.php/scotland/admin-guides>

**Note:** \* in the following tables beside a regulation denotes the discretions where we are required to have a policy statement under the regulations

Table 1 details our discretions under the LGPS (Scotland) regulations 20eg-3(e)13(g)-8(ul)6(atio)3lhav



**R22(8B)**

Whether to extend the 12 month option period for a member to elect that post 2015 deferred benefits should not be aggregated with a new employment



**TABLE 2**

**The following table details discretions in relation to scheme members who ceased active membership on or after 01 04 15 and before 30 06 15, being discretions under:**

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		exceptional circumstances can be proved such as the employee being unaware of this facility.
<b>R2 29 (6) and 29 (9)</b>	Whether to grant application to waive all or part of the actuarial reduction applied for early payment of benefits on or after age 55	Argyll & Bute Council will not have a general policy to waive in whole or in part, any actuarial reduction which a member voluntarily draws before normal retirement age other than on the grounds of flexible retirement but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits