

Policies on the discretions to be exercised under the LGPS Regulations in relation to those employees who are active scheme members after the 31 March 2015 and members who cease active membership after 31 March 2015.

Table A: Discretions to be exercised on and after 1 April 2015 under the LGPS Regulations (Northern Ireland) 2014 in relation to active scheme members and members who cease active membership after 31 March 2015.	Belfast City Council policy
<p>1. Whether, at full cost to Belfast City Council, to grant extra annual pension of up to £6,578 (figure at 1 April 2016) to an active scheme member or within 6 months of leaving to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency.</p> <p>(No change to existing BCC discretion)</p>	<p>Belfast City Council will only make use of the discretion to</p> <p>(a) grant extra annual pension up to £6,578 (figure at 1 April 2016) to an active scheme member where the Council deems it is absolutely necessary as an inducement to attract an employee who has specialist skills and experience the Council needs, or where it is deemed absolutely necessary to induce an employee with specialist skills and experience not to leave or</p> <p>(b) where an active scheme member or within 6 months of leaving to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of efficiency, having considered the view of the employee, to make an award of extra annual pension up to £6,578 (figure at 1 April 2016) that is actuarially equivalent to the lump sum payment that the Council would otherwise have made to the employee under the Council's compensation arrangements.</p> <p>Each case will be considered on the merits of the financial and / or operational business case put forward.</p>

<p>2. Whether, where an active scheme member wishes to purchase extra annual pension of up to £6578 (figure at 1 April 2016) by making Additional Pension Contributions (APCs), Belfast City Council will voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).</p> <p>(No change to existing BCC discretion)</p>	<p>Belfast City Council will not make use of the discretion to voluntarily contribute towards the cost of purchasing extra pension via a Shared Cost Additional Pension Contribution Scheme (SCAPC).</p>
<p>3. Whether to permit flexible retirement for staff aged 55 or over who, with the agreement of Belfast City Council reduce their working hours or grade and, if so, as part of the agreement:</p> <ul style="list-style-type: none"> - whether, in addition to the benefits the member has accrued prior to 1 April 2009 (which the member must draw if flexible retirement is agreed), to permit the member to choose to draw <ul style="list-style-type: none"> • all, part or none of the pension benefits they accrued after 31 March 2009 and before 1 April 2015, and / or • all, part or none of the pension benefits they accrued after 31 March 2015, and - whether to waive, in whole or in part , any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age (NPA)¹. <p>(No change to existing BCC discretion)</p>	<p><u>Flexible retirement</u></p> <p>Belfast City council will not agree to flexible retirement except in circumstances where Belfast City Council considers it is in its financial or operational interests to do so. Each case</p> <ul style="list-style-type: none"> - will be considered on the merits of the financial and / or operational business case put forward, - will set out whether, in addition to any pre 1 April 2009 benefits, the member will be permitted, as part of the flexible retirement agreement, to take <ul style="list-style-type: none"> a) all, some or none of their 1 April 2009 to 31 March 2015 benefits, and /or b) all, some or none of their post 31 March 2015 benefits, and - will require the approval of the appropriate Director and the Director of Finance and Resources - Requests, for a current or new post, must reflect a minimum reduction of 20% in hours or a minimum reduction of one full grade

¹ Normal pension age (NPA) means the member's normal pension age under the 2015 Scheme which is linked to the member's State Pension Age (SPA) but with a minimum of age 65. State Pension Age is currently age 65 for men. State Pension Age for women is currently being increased to be equalised with that for men and will reach 65 by November 2018. The State Pension Age will then increase to 66 for both men and women from December 2018 to October 2020. Under current legislation the State Pension Age is due to rise to 67 between 2026 and 2028 and to 68 between 2044 and 2046. However, the government has announced plans to link rises in the State Pension Age above age 67 to increases in life expectancy.

	<p>- Employees will only be allowed one flexible retirement request. However, the Council reserves the discretion to consider one further request for flexible retirement on its own merits and based on the need to deliver services effectively and efficiently together with the financial implications of granting the application.</p> <p><u>Waiver of any actuarial reduction on flexible retirement</u> Where flexible retirement is agreed, the benefits payable will be subject to any actuarial reduction applicable under the Local Government Pension Scheme Regulations (Northern Ireland) 2014 and the Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014. Belfast City Council will only waive any such reduction, in whole or in part, where it considers it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and / or operational business case put forward and will require the approval of the Director of Finance and Resources.</p>
<p>4. Whether, as the 85 year rule does not (other than on flexible retirement – see 3 above) automatically apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60, to switch the 85 year rule back on in full for such members.</p> <p>(No change to existing BCC discretion)</p>	<p>Belfast City Council will not agree to switch the 85 year rule on in full where members choose to voluntarily draw their benefits on or after age 55 and before age 60 except in circumstances where Belfast City Council considers it is in its financial or operational interests to do so. Each case</p> <ul style="list-style-type: none"> • Will be considered on the merits of the financial and / or operational business case put forward, and • Will require the approval of the Director of Finance and Resources

<p>5. For active members voluntarily retiring on or after age 55 and before Normal Pension Age who elect under regulation 31(5) of the LGPS Regulations (Northern Ireland) 2014 to immediately draw benefits, and for deferred members who elect under regulation 31(5) of the LGPS Regulations (Northern Ireland) 2014 to draw benefits (other than on ill health grounds) on or after age 55 and before Normal Pension Age, and who:</p> <ul style="list-style-type: none"> - were <u>not</u> members of the LGPS before 1 October 2006 [Group 4 members], whether to: <ul style="list-style-type: none"> o waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits, if any, accrued before 1 April <u>2015</u>, and / or o waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2015</u> - <u>were</u> members of the LGPS before 1 October 2006 and <u>will</u> be 60 or more on 31 March 2016 [Group 1 members], whether to: <ul style="list-style-type: none"> o waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April <u>2016</u>, and / or o waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2016</u> 	<p>Belfast City Council will not agree</p> <ul style="list-style-type: none"> - to waive on compassionate grounds any reduction on pre 1 April 2015 benefits for Group 3 or 4 members, on pre 1 April 2016 benefits for Group 1 members, or on pre 1 April 2020 benefits for Group 2 members, and / or - to waive in whole or in part on any grounds any reduction on post 31 March 2015 benefits for Group 3 or 4 members, on post 31 March 2016 benefits for Group 1 members, or on post 31 March 2020 benefits for Group 2 members <p>where members choose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age except in circumstances where Belfast City Council considers it is in its financial or operational interests to do so or there are compelling compassionate² reasons for doing so.</p> <p>Each case</p> <ul style="list-style-type: none"> - will be considered on the merits of the financial and / or operational business case put forward, or - will be considered on the merits of the compassionate case put forward, and - will require the approval of the appropriate Director and the Director of Finance and Resources including, where the reduction is only to be waved
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² There is no definition in the Regulations of "compassionate grounds". However, one could take the view that, for example, releasing benefits because the member is short of funds / out of work would not be appropriate (as the pension scheme is not a social security scheme); whereas, for example, releasing benefits because the member has had to give up work to look after orphaned grandchildren would clearly be a case where an employer might wish to exercise compassion.

<ul style="list-style-type: none"> - <u>were</u> members of the LGPS before 1 October 2006 and will <u>not</u> be 60 or more on 31 March 2016 and will <u>not</u> attain age 60 between 1 April 2016 and 31 March 2020 [Group 3 members], whether to: <ul style="list-style-type: none"> o waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April <u>2015</u>, and / or o waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2015</u> - <u>were</u> members of the LGPS before 1 October 2006 and will <u>not</u> be 60 or more on 31 March 2016 but will <u>attain</u> age 60 between 1 April 2016 and 31 March 2020 [Group 2 members], whether to: <ul style="list-style-type: none"> o waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April <u>2020</u>, and / or o waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2020</u> <p>(No change to existing BCC discretion)</p>	<p>in part, approval for the amount of reduction to be waived</p>
<p>6. Whether, how much, and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement entered into on or after 1 April 2015 and whether, how much, and in what circumstances to continue to contribute to any shared cost Additional Voluntary Contribution (SCAVC) arrangement entered into before 1 April 2015.</p> <p>(No change to existing BCC discretion)</p>	<p>Belfast City Council does not intend to establish a Shared Cost Additional Voluntary Contributions Scheme at this time.</p>

7. Whether to extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in Northern Ireland following the cessation of employment (may elect to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment) if the member has not made an election aggregate within 12 months of commencing membership of the LGPS in the new employment

Whether to extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in Northern Ireland following the cessation of a concurrent employment may elect not to have the deferred benefits aggregated with their ongoing concurrent LGPS employment if the member has not made an election to retain separate benefits within 12 months of ceasing the concurrent.

(Updated existing BCC discretion)

Belfast City Council will only extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in Northern Ireland following the cessation of employment may elect to have the deferred benefits aggregated with their new LGPS employment OR, Belfast City Council will only extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in Northern Ireland following the cessation of concurrent employment may elect not to have the deferred benefits aggregated with their ongoing concurrent LGPS employment:

- a) where Belfast City Council agrees that the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration;
- b) where Belfast City Council agrees that the available evidence indicates the member had made an election within 12 months of joining the LGPS but the election was not received by the Northern Ireland Local Government Officers' Superannuation Committee (e.g. the election form was lost in the post); or
- c) where the member has pre 1 April 2015 membership and Belfast City Council agrees the available evidence indicates that, due to maladministration, the member had not been informed of the implications of having benefits aggregated and would, in consequence, suffer a detriment to their pension benefits (for example, where member's whole-time equivalent pensionable pay on commencing with Belfast City

	<p>Council is, in real terms after allowing for inflation, significantly less than the whole-time equivalent pensionable pay upon which the deferred benefits were calculated).</p>
<p>8. How the pension contribution band/rate to which an employee is to be allocated on joining the Scheme, and at each subsequent April, will be determined and the circumstances in which, following a material change to the terms and conditions of a member’s employment which affects the member’s pensionable pay in the course of a Scheme year (1 April to 31 March), the pension contribution band/rate to which an employee has been allocated will be reviewed.</p> <p>(No change to existing BCC discretion)</p>	<p>Belfast City Council will allocate employees to pension contribution bands/rates based on their pensionable pay in each pay period.</p> <p>This will cover</p> <ul style="list-style-type: none"> • allocating a member to a contribution rate on 1 April • allocating a member to a contribution rate on joining the Scheme (after 1 April) • reallocating a member to a new contribution rate during a Scheme year (1 April to 31 March) following a material change to the terms and conditions of a member’s employment which affects the member’s pensionable pay (e.g. on promotion, demotion, re-grading, variation to a member’s contractual hours, a change of job, or a move from a casual to a post with contractual hours) • reallocating a member to a new contribution rate each 1 April.
<p>9. Whether or not, when calculating assumed pensionable pay when a member is:</p> <ul style="list-style-type: none"> - on reduced contractual pay or no pay on due to sickness or injury, or - absent during ordinary maternity, paternity or adoption leave or during paid additional maternity, paternity or adoption leave, or - absent on reserve forces service leave, or - retires with a Tier 1 or Tier 2 ill health pension, or - dies in service <p>to include in the calculation the amount of any ‘regular lump sum payment’ received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred.</p>	<p>In assessing Assumed Pensionable Pay (APP) Belfast City Council will not, other than in exceptional circumstances, include in the calculation any ‘regular lump sum payments’ in which case the decision to include the ‘regular lump sum payment’ will be subject to the approval of the Director of Finance and Resources</p>

<p>(No change to existing BCC discretion)</p>	
<p>10. Whether to allow an active member longer than 30 days following return to work after a period of absence with permission (not due to illness, child-related leave or reserve forces service leave) to decide to apply to cover the lost pension through an Additional Pension Contract.</p> <p>(New Discretion)</p>	<p>Belfast City Council will only extend the 30 day deadline where Belfast City Council agrees that the available evidence indicates the member had not been informed of the 30 day time limit due to maladministration.</p>