

FALKIRK COUNCIL PENSION FUND Employer Discretionary Policies

This document contains the discretionary policies operated by Fund employers in terms of the Local Government pension Scheme. These discretions were correct as at May 2009 unless stated otherwise.

Highlighted employers have adopted an identical policy to that of Falkirk Council. Please refer to that policy and for any reference to a Falkirk Council Elected Member or Office Bearer this should be interpreted as being a reference to an Elected Member, Board members or Office bearers of the employer in question.

Employer	Note
Active Stirling Ltd	
Alsorts*	See Falkirk Council Policy
Amey (Clackmannanshire Schools Project)	1 April 2015
Association of Scottish Colleges	
Ballikinrain School (Church of Scotland)*	See Falkirk Council Policy
Central Scotland Council for Racial Equality	
Central Carers Association*	See Falkirk Council Policy
Central Scotland Fire & Rescue Service*	See Falkirk Council Policy
Central Scotland Joint Valuation Board*	See Falkirk Council Policy
Central Scotland Police*	See Falkirk Council Policy
Ceteris*	See Falkirk Council Policy
Clackmannanshire Council	
Community Training and Development Unit	No policy
Cowane's Hospital*	See Falkirk Council Policy
Dollar Academy Trust*	See Falkirk Council Policy
Falkirk Council	
Forth Valley College	
Forth Valley GIS Ltd	Agreed June 2009
Forth and Oban Ltd (Stirling Schools)	Agreed June 2009
Forth and Oban Ltd (Falkirk Schools)	No Policy
McLaren Community Leisure Centre*	See Falkirk Council Policy
Open Secret	No Policy
Plus (formerly Playplus)*	See Falkirk Council Policy
Raploch URC	
Scottish Children's Reporter Administration	Agreed September 2009
Scottish Environment Protection Agency	Agreed March 2013
Scottish Police Services Authority (Ex Central Scotland Police employees)	No Policy
Scottish Autism	No Policy
Seamab School	No Policy
Smith Art Gallery*	See Falkirk Council Policy
Snowdon School Ltd*	See Falkirk Council Policy
Stirling Council	
Stirling District Tourism Limited*	See Falkirk Council Policy
Stirling Enterprise Park Limited	
Stirling University	No Policy
Strathcarron Hospice	
Valad Management (UK) Ltd (Ex Stirling Council employees)	
Visit Scotland (Ex Argyll, The Isles, Stirling, etc., Tourist Board employees)	Agreed September 2009
Water Industry Commission for Scotland*	See Falkirk Council Policy
Waterwatch Scotland*	See Falkirk Council Policy

Updated April 2013

Local Government Pension Scheme - Summary of Employer Discretions**Regulation 12 - Award of Additional Scheme Membership**

The Chief Executive and Director of Corporate Services, in conjunction with the Head of the particular area where the person is employed, will consider all relevant factors and only where it can be demonstrated to be in the interests of Active Stirling will additional membership be granted.

Additional membership will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Pension

The policy under the new scheme is the same as the policy under the old scheme

Regulation 13 - Award of Additional Scheme Pension

The Chief Executive and Director of Corporate Services, in conjunction with the Head of the particular area where the person is employed, will consider all relevant factors and only where it can be demonstrated to be in the interests of Active Stirling will additional pension be granted.

Additional pension will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Membership

There was no equivalent policy under the old scheme

Regulation 18 - Release of Scheme Benefits through Flexible Retirement

The Chief Executive and Director of Corporate Services, in conjunction with the Head of the particular area where the person is employed, will consider all relevant factors including costs and changes to the employee's contract of employment, and only where it can be demonstrated to be in the interests of Active Stirling will benefits be released.

There was no equivalent policy under the old scheme

Regulation 30 – Premature Release of Scheme Benefits through Flexible Retirement

The Chief Executive and Director of Corporate Services, in conjunction with the Head of the particular area where the person is employed, will consider all relevant factors and only where it can be demonstrated that compassionate grounds exist will benefits be authorised for release.

In determining compassionate grounds, financial reasons alone will not be considered sufficient to justify the release of benefits.

The policy under the old scheme enabled benefits to be released early in a wider range of circumstances. The policy has been changed to avoid claims of discrimination.

Regulation 22 – Shared Cost AVC Scheme

Active Stirling will not implement a shared cost additional voluntary contribution scheme.

The policy under the new scheme is the same as the policy under the old scheme

Regulation 53 – Internal Disputes Resolution Procedure

Where the appeal concerns the deduction of pension contributions, the specified person to hear an appeal is the Chief Executive, otherwise it is the Director of Corporate Services.

There was no equivalent policy under the old scheme

Regulation 78 – Acceptance of Late Transfer Payments

Unless there have been administrative delays, transfer payments will only be accepted where the request to transfer has been made within 12 months of joining the scheme.

The policy under the new scheme represents a formalising of the arrangements that existed under the old scheme.



Local Government Pension Scheme (Scotland) Statement of Policy - Employer Discretions

Applicable to employees who are members of the Falkirk Pension Fund and employed in connection with a contract for services with Amey Community Limited.

Effective Date: 1st April 2015

Date of Publication: 29th September 2017

In accordance with Regulation 58 of the Local Government Pension Scheme (Scotland) Regulations 2014 (*Statements of policy about exercise of discretionary functions*), as an Admitted Body Employer, Amey Community Limited (the Employer) must prepare a written statement of its policy in relation to the exercise of its functions under regulations. In addition, and in accordance with Paragraphs 2(2) of Schedule 2 to the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014, an employer must prepare a written statement in order to confirm the employer's policy in relation to certain discretions.

Note: * besides a regulation denotes a policy statement is mandatory.

Part 1

Active Members on or after 1st April 2015

1. Awarding Additional Pension

Local Government Pension Scheme (Scotland) Regulations 2014 - Regulation 30 *

An employer may grant extra annual pension up to a maximum of £5,000 p.a.(figure at 1 April 2015) to an active Scheme member or within 6 months of leaving service where an active member's employment is terminated on the grounds of redundancy or business efficiency. The maximum figure that may be initially awarded will be subject to annual increase on 1st April in accordance with the Pensions (Increase) Act 1971.

Policy Decision

Additional awards of extra annual pension will not be granted under Regulation 30, other than in exceptional circumstances when such cases will be judged equally and fairly and on their own merits taking into account any operational or financial costs to the Employer.

2. Shared Cost Additional Pension Contributions

Local Government Pension Scheme (Scotland) Regulations 2014 - Regulation 16 (2)(e) and 16 (4)(d) *

An active member who is paying into the main scheme may enter into an arrangement to pay additional contributions, either by regular contributions or by a lump sum payment. This may be funded in whole or in part by the employer (Regulations 16(2)(e) and 16(4)(d)). The additional pension purchased cannot exceed the additional pension limit of £6,500 from 1st April 2015.

The amount of additional contribution to be paid is determined by reference to actuarial guidance issued by the Secretary of State.

Policy Decision

The Employer will enter into a shared cost Additional Personal Contribution (APC) where a member has opted to purchase lost service as a result of authorised unpaid absence or child related leave, provided the election is made within 30 days of returning to work. The Employer will contribute two thirds of the cost and the member one third. The 30 day deadline may be extended where there is evidence of administrative shortcomings.

In any other circumstance there is no provision for a voluntary shared cost APC scheme under the Company's reward strategy and the Employer will not enter into this type of arrangement other than where there is a commercial or legal obligation to do so.

Shared Cost Additional Pension Contributions

Local Government Pension Scheme (Scotland) Regulations 2014 - Regulation 16 (16)

The employer may extend the 30 day deadline for the member to elect for a shared cost APC upon return from authorised unpaid absence.

Policy Decision

Where the member has taken authorised unpaid leave of absence through the Amey 'Choices' flexible benefits scheme, the deadline to elect for a shared cost APC is extended up to 30 days following the end of the Pension Scheme year in which the unpaid absence was taken. In all other circumstances, the 30 day limit will apply unless the deadline is exceeded as a result of maladministration by the Employer.

3. Early Payment of Benefits

Local Government Pension Scheme (Scotland) Regulations 2014 - Regulation 29(5) and (13)

Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 - Regulations 11(2) and 11(3) and Schedule 2 2(1)

An employer may grant early payment of benefits after age 55 and before age 60 years.

Policy Decision

The member must submit a written request to the HR Service Centre (Pensions) at least one month prior to the proposed retirement date. Each application will be considered on its own merits, taking into account commercial and service delivery requirements, the member's personal circumstances and any financial costs to the Employer.

Where retirement is granted, the pension will be released subject the Employer's policy relating to Actuarial Reduction and Switching on the 85 year rule:-

4. Flexible Retirement

Local Government Pension Scheme (Scotland) Regulations 2014 - Regulation 29(6) *

Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 – Regulations 11(2) and 11(3) and Schedule 2 2(1)

The Local Government Pension Scheme (Scotland) allows scheme members who have attained the age of 55 years to draw all or part of their retirement benefits under flexible retirement arrangements, even though they have not retired, providing:-

- the employer consents, and
- there is a reduction in hours, or
- there is a reduction in grade.

Where the employer does consent to flexible retirement then, in addition to the benefits the member has accrued prior to 1 April 2009 (which must be drawn), the employer may also permit the member to choose to draw all, part or none of the pension benefits that accrued after 31 March 2009 and before 1 April 2015, and/or all, part or none of the pension benefits that accrued after 31 March 2015.

Policy Decision

The member must submit a written request to the HR Service Centre (Pensions) at least one month prior to the proposed flexible retirement date. Each application will be considered on its own merits, taking into account commercial and service delivery requirements, the member's personal circumstances and any financial costs to the employer.

Where flexible retirement is granted, the pension will be released subject to:-

- Contractual working hours or rate of pay following flexible retirement being reduced by a minimum of 20%.
- The Employer's policy relating to waiving actuarial reduction under Regulation 29(8) will apply. The Company will not agree to flexible retirement in the event of any additional strain cost as a result of flexible retirement or the 85 year rule.
- Any pension linked to service before 1st April 2009 must be drawn in full with effect from the member's flexible retirement date. The member may elect to partially draw benefits relating to service from 1st April 2009.

Switching on the 85 year rule

Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 - Schedule 2 para 2(1) –*

Where 85 year rule protection exists, the employer may decide to 'switch on' the 85 year rule in order to allow members to receive benefits either unreduced or with a smaller reduction to their 85 year rule date. The employer will be responsible for meeting any strain costs relating to benefits drawn before age 60. If the employer does not 'switch on' the 85 year rule, the member's benefits will be reduced to age 60 or the date they meet the 85 year rule, if later.

Policy Decision

The Employer will not 'switch on' the 85 year rule other than in exceptional circumstances where there is a demonstrable cost saving in excess of the additional pension costs incurred by the Company.

Waiving of Actuarial Reduction

Local Government Pension Scheme (Scotland) Regulations 2014 - Regulation 29(8) * and
Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 - Schedule 2 para 2(1)
Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 -
Regulation 30(5)

Benefits may be subject to actuarial reduction if they are being drawn earlier than the members' normal retiring age. The reductions that apply will be in accordance with guidance issued by the Government Actuary. Employers may choose to waive, in whole or in part, any actuarial reduction that may apply.

Employers can choose to waive any reductions that apply under Regulation 29(8). Employers may waive;-

- all or some of the reduction in respect of benefits that accrued on or after 1 April 2015 on any grounds.
- all of the reductions in respect of pre 1 April 2015 benefits, but only on compassionate grounds

Where 85 year rule protections exist and the member has full or tapered protection, the employer may waive all of the reductions, but only on compassionate grounds for the service up to the date the 85 year rule protection ends (31 March 2016 (full) or 31 March 2020 (tapered)).

Policy Decision

The Employer will not waive actuarial reduction under any circumstances.

Part 1 A

Other Discretionary Policies

Under the Local Government Pension Scheme (Scotland) Regulations 2014 there are a number of other discretions which Employers may exercise. Although there is no requirement to publish a written policy, the Employer's policy intention in these areas is set out below.

Member Contribution Banding

Regulation 9(1) to 9(4)) and 10

An active member must contribute each pay period. The percentage member contribution rate is determined by the employer using published earnings related contribution rates.

Where an active member changes employment or where there is a material change which affects the member's pensionable pay during the course of a financial year, the Employer may review the member contribution rate and determine that a contribution rate from a different band should be applied. Where the employer makes such a determination, it shall inform the member of the revised contribution rate and the date from which it is to be applied.

Policy Decision

The Employer will review each member's contribution rate annually on 1st April. When determining the member's contribution rate, the Employer will take into account the annual rate of basic pay at 1st April together with any ad-hoc or regular recurring payments within the preceding 12 months.

- Where there is less than 12 months earnings history, any available data will be aggregated
- Where members are employed under 'zero hours' employment contracts, the member contribution rate will be determined by taking into account the earnings history during the preceding 12 month period.

There will be no further review if there is a change in earnings or grade, other than in the event of a retrospective pay award that has an effective date on or before the 1st April.

Additional Voluntary Contributions

Regulation 17(1)

An active member may enter into arrangements to pay additional voluntary contributions (AVCs) or to contribute to a shared cost additional voluntary contribution arrangement (SCAVCs) in respect of an employment. The arrangement must be a scheme established between the appropriate administering authority and a body approved for the purposes of the Finance Act 2004, registered in accordance with that Act and administered in accordance with the Pensions Act 2004.

An employer can, at its discretion, contribute to the AVC scheme and if it does so, the AVC scheme is known as a shared cost additional voluntary contributions arrangement (SCAVC).

Policy Decision

The Employer will not enter into a shared cost AVC arrangement.

Merging of Deferred Member Pension Accounts with Active Member Pension Accounts

Regulation 22(6A) and (6B)

A deferred member's post April 2015 pension account is automatically aggregated with their active member's pension account, unless the member elects to retain each account as a separate pension entitlement. The election to retain the deferred pension account as a separate pension entitlement must be made within the first 12 months of the new pension account being opened. An employer can, at its discretion, extend the 12 month election period.

Policy Decision

The Employer will not extend the opt out period beyond the 12 month statutory limit, other than where there is evidence of maladministration and the member was not informed of the 12 month time limit.

Inward transfer of pension rights and extension of the 12 month transfer application period

Regulation 98 (6)

An active member may apply to transfer deferred pension entitlements from another Registered Pension Scheme into the Local Government Pension Scheme. The election must be made in writing to the Administering Authority and the Employer before expiry of 12 months beginning with the date on which the employee first became an active member in an employment (or such longer period as the Scheme employer and administering authority may allow).

Policy Decision

The Employer will not extend the period to elect to transfer-in deferred benefits beyond 12 months other than in exceptional circumstances where the late application is beyond the member's control.

Assumed Pensionable Pay

Regulation 21 (4) and (5)

The employer must determine how lump sum payments should be dealt with for the purpose of calculating Assumed Pensionable Pay in the event of:-

- a reduction in contractual pay or no pay due to sickness or injury, or
- absence during ordinary maternity, paternity or adoption leave or during paid additional maternity, paternity or adoption leave, or
- absence on reserve forces service leave, or
- retirement with a Tier 1 or Tier 2 ill health pension, or
- death in service

The employer must consider whether or not to include 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 when calculating 'Assumed Pensionable Pay' (APP).

For the purpose of this policy, a 'regular lump sum payment' is where the employer deems there is a reasonable expectation that such a payment will be paid on a scheduled basis, if actively at work.

Policy Decision

APP will be initially calculated by reference to regular and ad-hoc pensionable earnings in the 12 week period immediately prior to absence. Any other annual, ad-hoc or regular payment that were not processed through the payroll in the 12 weeks preceding absence will be initially excluded from the APP calculation.

The Employer will undertake an annual review on 1st April, or if earlier, upon leaving service in order to ensure that the APP calculation is a true reflection of all elements of pay the member would have received if actively at work during the period of absence. Regular lump sum payments will be included if the payment is forfeited or reduced as a result of the absence and would normally have fallen due if the member had been actively at work.

Applications for adjudication of disagreements

Regulation 74

The employer must appoint a person (“the adjudicator”) to consider applications from any person whose rights or liabilities under the Scheme are affected by;

- (a) a decision under regulation 72 (first instance decisions); or
- (b) any other act or omission by the Employer or Administering Authority,

and to make a decision on such applications.

Responsibility for determinations under this first stage of the Internal Disputes Resolution Procedure (IDRP) rests with “the adjudicator” as named below by the Scheme employer:

Charlie Rogers
Head of Pensions
The Matchworks
142 Speke Road
Liverpool
L19 2PH

Part 2

Regulation 3(1) of the Local Government Pension Scheme (Scotland) Regulations 2014 allows for the Local Government Pension Scheme Regulations (Scotland) 1998 and the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 to still have effect in so far as they relate to member benefits before 1 April 2015. The Employer is required to formulate, publish and review a Statement of Policy on certain discretions.

Members who withdrew from service between 1st April 2009 and 31st March 2015

Early payment of deferred pensions for members who left service before 1st April 2014

Local Government Pension Scheme Regulations (Benefits, Membership and Contributions) (Scotland) Regulations 2008 - Regulation 30(2)* and 30(5)*

Members who left service before 1 April 2015 and are over the age of 55, may request to draw their benefits early.

- The employer may agree to permit the member to draw benefits early
- The employer may agree to waive any actuarial reduction as a result of drawing benefits before the normal retirement age on compassionate grounds.

Deferred members who left the Scheme before 1 April 2009 can still make application for the early payment of their deferred benefits after age 50. However, under HMRC rules such payments would be classed as 'un-authorised' and subject to a punitive tax charge

Policy Decision

- The Employer will permit early retirement provided there is no operational or financial disadvantage to the Employer.
- Any pension paid before the scheme normal retirement age will be reduced by an amount determined by the Government Actuary.

Augmentation of Scheme membership

Local Government Pension Scheme Regulations (Benefits, Membership and Contributions) (Scotland) Regulations 2008 - Regulation 12*

Where employment is terminated on the grounds of redundancy or business efficiency, the employer may grant extra membership in the pension scheme to a Scheme member whose employment was terminated before 1 April 2015, provided this discretion is exercised within 6 months of the member leaving service.

Note: The discretion which expires on 30 September 2015 for those whose employment is terminated on 31 March 2015.

Policy Decision

The Employer will not grant additional membership.

Members who withdrew from service between 1st April 1998 and 31st March 2009

Early release of deferred benefits

Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) – Regulation 30(2)*, and 30(5)*

Members may apply for early release of their deferred pension before the scheme normal retirement age, subject to Employer consent. The Employer may also agree to waive any actuarial reduction associated with the early release of the benefits.

Policy Decision

- The Employer will permit early retirement provided there is no operational or financial disadvantage to the Employer.
- Any pension paid before the scheme normal retirement age will be reduced by an amount determined by the Government Actuary.

Declaration

The policies described above do not constitute or confer any contractual rights. Amey Community Limited retains the right to review and change its policy statement at any time. Amey Community Limited will publish and send a copy of its revised statement to the administering authority within one month review.

When a relevant event occurs, the current policy at that time will apply. In publishing this policy Amey Community Limited is required to pay due regard to the requirement that the formulated policy and its application and the extent to which the exercise of the discretions could lead to a serious loss of confidence in the public service.

Amey Community Limited will not use this policy for any ulterior motive, it will ensure that such discretions will be exercised reasonably and where a cost is incurred, it will only be used when there is a future benefit to the Company for incurring the extra costs that may arise or be associated with the discretion. Amey Community Limited will ensure that where exercised, any discretions that incur additional costs, will be applied and recorded as appropriate.



Signed on behalf of Amey Community Limited
Andrew Nelson
Company Director

29th September 2017

Local Government Pension Scheme - Summary of Employer Discretions

Regulation 12 - Award of Additional Scheme Membership
The Director of Finance and Corporate Services and Chief Executive will consider all relevant factors and only where it can be demonstrated to be in the interests of ASC will additional membership be granted.
Additional membership will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Pension
The policy under the new scheme is the same as the policy under the old scheme

Regulation 13 - Award of Additional Scheme Pension
The Director of Finance and Corporate Services and Chief Executive will consider all relevant factors and only where it can be demonstrated to be in the interests of ASC will additional pension be granted.
Additional pension will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Membership
There was no equivalent policy under the old scheme

Regulation 18 - Release of Scheme Benefits through Flexible Retirement
The Director of Finance and Corporate Services and Chief Executive will consider all relevant factors including costs and changes to the employee's contract of employment, and only where it can be demonstrated to be in the interests of the ASC will benefits be released.
There was no equivalent policy under the old scheme

Regulation 30 – Premature Release of Scheme Benefits through Flexible Retirement
The Director of Finance and Corporate Services and Chief Executive, will consider all relevant factors and only where it can be demonstrated that compassionate grounds exist will benefits be authorised for release.
In determining compassionate grounds, financial reasons alone will not be considered sufficient to justify the release of benefits.
The policy under the old scheme enabled benefits to be released early in a wider range of circumstances. The policy has been changed to avoid claims of discrimination.

Regulation 22 – Shared Cost AVC Scheme

ASC will not implement a shared cost additional voluntary contribution scheme.

The policy under the new scheme is the same as the policy under the old scheme

Regulation 53 – Internal Disputes Resolution Procedure

Where the appeal concerns the deduction of pension contributions, the specified person to hear an appeal is the Director of Finance and Corporate Services.

There was no equivalent policy under the old scheme

Regulation 78 – Acceptance of Late Transfer Payments

Unless there have been administrative delays, transfer payments will only be accepted where the request to transfer has been made within 12 months of joining the scheme.

The policy under the new scheme represents a formalising of the arrangements that existed under the old scheme.

Local Government Pension Scheme - Summary of Employer Discretions

Regulation 12 - Award of Additional Scheme Membership
<p>The Director of Finance, Head of Human Resources and Employing Service will consider all relevant factors and only where it can be demonstrated to be in the interests of the Council will additional membership be granted.</p> <p>Additional membership will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Pension</p>
The policy under the new scheme is the same as the policy under the old scheme

Regulation 13 - Award of Additional Scheme Pension
<p>The Director of Finance, Head of Human Resources and Employing Service will consider all relevant factors and only where it can be demonstrated to be in the interests of the Council will additional pension be granted.</p> <p>Additional pension will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Membership</p>
There was no equivalent policy under the old scheme

Regulation 18 - Release of Scheme Benefits through Flexible Retirement
<p>The Director of Finance, Head of Human Resources and Employing Service will consider all relevant factors including costs and changes to the employee's contract of employment, and only where it can be demonstrated to be in the interests of the Council will benefits be released.</p>
There was no equivalent policy under the old scheme

Regulation 30 – Premature Release of Scheme Benefits
<p>The Director of Finance, in conjunction with the Head of Human Resources and the Employing Service, will consider all relevant factors and only where it can be demonstrated that compassionate grounds exist will benefits be authorised for release.</p> <p>In determining compassionate grounds, financial reasons alone will not be considered sufficient to justify the release of benefits.</p>
The policy under the old scheme enabled benefits to be released early in a wider range of circumstances. The policy has been changed to avoid claims of discrimination.

Regulation 22 – Shared Cost AVC Scheme

The Council will not implement a shared cost additional voluntary contribution scheme.

The policy under the new scheme is the same as the policy under the old scheme

Regulation 53 – Internal Disputes Resolution Procedure

Where the appeal concerns the deduction of pension contributions, the specified person to hear an appeal is the Director of Finance, otherwise it is the Head of Human Resources.

There was no equivalent policy under the old scheme

Regulation 78 – Acceptance of Late Transfer Payments

Unless there have been administrative delays, transfer payments will only be accepted where the request to transfer has been made within 12 months of joining the scheme.

The policy under the new scheme represents a formalising of the arrangements that existed under the old scheme.

Local Government Pension Scheme - Summary of Employer Discretions

Regulation 12 - Award of Additional Scheme Membership
The Director of Finance, Head of Human Resources and Employing Service will consider all relevant factors and only where it can be demonstrated to be in the interests of the Council will additional membership be granted.
Additional membership will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Pension
The policy under the new scheme is the same as the policy under the old scheme

Regulation 13 - Award of Additional Scheme Pension
The Director of Finance, Head of Human Resources and Employing Service will consider all relevant factors and only where it can be demonstrated to be in the interests of the Council will additional pension be granted.
Additional pension will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Membership
There was no equivalent policy under the old scheme

Regulation 18 - Release of Scheme Benefits through Flexible Retirement
The Director of Finance, Head of Human Resources and Employing Service will consider all relevant factors including costs and changes to the employee's contract of employment, and only where it can be demonstrated to be in the interests of the Council will benefits be released.
There was no equivalent policy under the old scheme

Regulation 30 – Premature Release of Scheme Benefits
The Director of Finance, in conjunction with the Head of Human Resources and the Employing Service, will consider all relevant factors and only where it can be demonstrated that compassionate grounds exist will benefits be authorised for release.
In determining compassionate grounds, financial reasons alone will not be considered sufficient to justify the release of benefits.
The policy under the old scheme enabled benefits to be released early in a wider range of circumstances. The policy has been changed to avoid claims of discrimination.

Regulation 22 – Shared Cost AVC Scheme

The Council will not implement a shared cost additional voluntary contribution scheme.

The policy under the new scheme is the same as the policy under the old scheme

Regulation 53 – Internal Disputes Resolution Procedure

Where the appeal concerns the deduction of pension contributions, the specified person to hear an appeal is the Director of Finance, otherwise it is the Head of Human Resources.

There was no equivalent policy under the old scheme

Regulation 78 – Acceptance of Late Transfer Payments

Unless there have been administrative delays, transfer payments will only be accepted where the request to transfer has been made within 12 months of joining the scheme.

The policy under the new scheme represents a formalising of the arrangements that existed under the old scheme.

Appendix 1

Local Government Pension Scheme - Summary of Employer Discretions

Regulation 12 - Award of Additional Scheme Membership
The Director of Finance, Head of Human Resources and Employing Service will consider all relevant factors and only where it can be demonstrated to be in the interests of the Council will additional membership be granted.
Additional membership will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Pension
The policy under the new scheme is the same as the policy under the old scheme

Regulation 13 - Award of Additional Scheme Pension
The Director of Finance, Head of Human Resources and Employing Service will consider all relevant factors and only where it can be demonstrated to be in the interests of the Council will additional pension be granted.
Additional pension will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Membership
There was no equivalent policy under the old scheme

Regulation 18 - Release of Scheme Benefits through Flexible Retirement
The Director of Finance, Head of Human Resources and Employing Service will consider all relevant factors including costs and changes to the employee's contract of employment, and only where it can be demonstrated to be in the interests of the Council will benefits be released.
There was no equivalent policy under the old scheme

Regulation 30 – Premature Release of Scheme Benefits
The Director of Finance, in conjunction with the Head of Human Resources and the Employing Service, will consider all relevant factors and only where it can be demonstrated that compassionate grounds exist will benefits be authorised for release.
In determining compassionate grounds, financial reasons alone will not be considered sufficient to justify the release of benefits.
The policy under the old scheme enabled benefits to be released early in a wider range of circumstances. The policy has been changed to avoid claims of discrimination.

Regulation 22 – Shared Cost AVC Scheme

The Council will not implement a shared cost additional voluntary contribution scheme.

The policy under the new scheme is the same as the policy under the old scheme

Regulation 53 – Internal Disputes Resolution Procedure

Where the appeal concerns the deduction of pension contributions, the specified person to hear an appeal is the Director of Finance, otherwise it is the Head of Human Resources.

There was no equivalent policy under the old scheme

Regulation 78 – Acceptance of Late Transfer Payments

Unless there have been administrative delays, transfer payments will only be accepted where the request to transfer has been made within 12 months of joining the scheme.

The policy under the new scheme represents a formalising of the arrangements that existed under the old scheme.

Local Government Pension Scheme - Summary of Employer Discretions

Regulation 12 - Award of Additional Scheme Membership

The Director of Finance and Head of Human Resources will consider all relevant factors and only where it can be demonstrated to be in the interests of the College will additional membership be granted.

Additional membership will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Pension

The policy under the new scheme is the same as the policy under the old scheme

Regulation 13 - Award of Additional Scheme Pension

The Director of Finance and Head of Human Resources will consider all relevant factors and only where it can be demonstrated to be in the interests of the College will additional pension be granted.

Additional pension will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Membership

There was no equivalent policy under the old scheme

Regulation 18 - Release of Scheme Benefits through Flexible Retirement

The Director of Finance and Head of Human Resources will consider all relevant factors including costs and changes to the employee's contract of employment, and only where it can be demonstrated to be in the interests of the College will benefits be released.

There was no equivalent policy under the old scheme

Regulation 30 – Premature Release of Scheme Benefits

The Director of Finance, in conjunction with the Head of Human Resources, will consider all relevant factors and only where it can be demonstrated that compassionate grounds exist will benefits be authorised for release.

In determining compassionate grounds, financial reasons alone will not be considered sufficient to justify the release of benefits.

The policy under the old scheme enabled benefits to be released early in a wider range of circumstances. The policy has been changed to avoid claims of discrimination.

Regulation 22 – Shared Cost AVC Scheme

The College will not implement a shared cost additional voluntary contribution scheme.

The policy under the new scheme is the same as the policy under the old scheme

Regulation 53 – Internal Disputes Resolution Procedure

Where the appeal concerns the deduction of pension contributions, the specified person to hear an appeal is the Director of Finance, otherwise it is the Head of Human Resources.

There was no equivalent policy under the old scheme

Regulation 78 – Acceptance of Late Transfer Payments

Unless there have been administrative delays, transfer payments will only be accepted where the request to transfer has been made within 12 months of joining the scheme.

The policy under the new scheme represents a formalising of the arrangements that existed under the old scheme.



FORTH VALLEY GIS LTD

**LOCAL GOVERNMENT PENSION SCHEME ("LGPS")
EMPLOYER DISCRETIONS**

POLICY DOCUMENT

Version 1.0

30 June 2009

*Biggart Baillie LLP
No. 2 Lochrin Square
96 Fountainbridge
Edinburgh EH3 9QA
(DX ED15)*

INDEX OF POLICY DOCUMENT

	PAGE
1. INTRODUCTION.....	3
2. REGULATION 12 – THE AWARD OF ADDITIONAL SCHEME MEMBERSHIP	4
3. REGULATION 13 – THE AWARD OF ADDITIONAL SCHEME PENSION.....	5
4. REGULATION 18 – THE RELEASE OF SCHEME BENEFITS AS A RESULT OF FLEXIBLE RETIREMENT	6
5. REGULATION 30 – PREMATURE RELEASE OF SCHEME BENEFITS.....	7
6. REGULATION 22 (ADMINISTRATIVE REGULATION) – SHARED COST ADDITIONAL VOLUNTARY CONTRIBUTION SCHEME	8
7. REGULATION 53 (ADMINISTRATION REGULATIONS) – INTERNAL DISPUTE RESOLUTION PROCEDURE (“IDRP”).....	9
8. REGULATION 78 (ADMINISTRATION REGULATIONS) – ACCEPTANCE OF LATE TRANSFER PAYMENTS.....	10

1. INTRODUCTION

- 1.1. A new version of the Local Government Pension Scheme has been introduced with effect from 1st April 2009. The new scheme applies to all existing active members on 1st April 2009 and to all new members joining thereafter.
- 1.2. Regulation 61 of the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 requires that all scheme employers formulate and publish a written statement indicating how they intend to exercise their discretionary powers in each of the following Regulations within the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2008:
 - the award of additional scheme membership (Regulation 12)
 - the award of additional scheme pension (Regulation 13)
 - the release of scheme benefits as a result of flexible retirement (Regulation 18)
 - the premature release of scheme benefits (Regulation 30)
- 1.3. In addition to the four areas where it is compulsory for employers to publicise their policy, there are three other areas where for operational purposes, it would be beneficial for employers to have a policy. These are as follows:
 - Shared Cost AVCs (Regulation 22)
 - Acceptance of late transfer values (Regulation 78)
 - Internal Disputes Resolution Procedure (IDRP) (Regulation 53)
- 1.4. Forth Valley GIS is a recognised scheme employer within the Local Government Pension Scheme and is consequently required to decide and publish a policy on the exercise of their discretionary powers by 1 July 2009.
- 1.5. The general rule as evidenced in the remainder of this policy document is that decision-making responsibilities in the exercise of employer discretions will vest jointly in the Employment Subgroup of the Board and the Chief Executive, except where the decision relates to the Chief Executive when the decision making will vest in the Board.

2. REGULATION 12 – THE AWARD OF ADDITIONAL SCHEME MEMBERSHIP

- 2.1. The scheme allows an employer to increase an individual's pension scheme membership by up to 10 years. The facility is sometimes referred to as augmentation and was available (up to a maximum of 6 and 2/3rds years) under the previous version of the scheme.
- 2.2. Typically, this discretion could be used when recruiting for a post or when seeking volunteers for early retirement. The granting of additional scheme membership is already included in Forth Valley GIS Limited's Voluntary Severance Scheme as a means of enhancing the benefit package available to potential retirees.
- 2.3. The cost of granting additional scheme membership is generally met by a lump sum payment from the employer to the pension fund. Alternatively, it may be possible for the costs to be incorporated in the employer contribution rate as certified by the fund actuary.
- 2.4. Decision-making responsibilities in the exercise of this discretion will vest jointly in the Employment Subgroup of the Board and the Chief Executive, except where the decision relates to the Chief Executive when the decision making will vest in the Board. The decision makers will consider all relevant factors and only where it can be demonstrated to be in the interests of Forth Valley GIS Limited will additional scheme membership be granted.
- 2.5. Additional scheme membership will not be granted if the scheme member has been granted either
 - Compensatory Added Years under the Discretionary Payments legislation; or
 - Additional Scheme Pension under Regulation 13 of the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008
- 2.6. This situation also applies to members with deferred entitlements under previous versions of the scheme.

3. REGULATION 13 – THE AWARD OF ADDITIONAL SCHEME PENSION

- 3.1 The scheme allows an employer to award a member an additional pension of up to £5,000 per year. This facility was not available under previous versions of the scheme.
- 3.2 As with the award of additional scheme membership, this discretion could be used to assist recruitment or early retirement. The cost would be met by the employer.
- 3.3 Decision-making responsibilities in the exercise of this discretion will vest jointly in the Employment Subgroup of the Board and the Chief Executive, except where the decision relates to the Chief Executive when the decision making will vest in the Board. The decision makers will consider all relevant factors and only where it can be demonstrated to be in the interests of Forth Valley GIS Limited will additional scheme pension be granted.
- 3.4 An award of additional scheme pension will not be made if the scheme member has been granted either
- Compensatory Added Years under the Discretionary Payments legislation; or
 - Additional Scheme Membership under Regulation 12 of the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008.

4. REGULATION 18 – THE RELEASE OF SCHEME BENEFITS AS A RESULT OF FLEXIBLE RETIREMENT

- 4.1. An employee, who is between age 55 and 60 (between age 50 and 60 for some pre-1/4/2009 members) and who has been allowed by a scheme employer to work reduced hours or at a reduced grade, may request the immediate payment of scheme benefits.
- 4.2. Where it is agreed to release the benefits, there may be a cost to the employer due to the benefits being paid out earlier than anticipated. In some cases, (i.e where the total of the employee's age and membership adds up to less than 85), a penalty reduction may be applied to the employee's benefits. This may reduce or eliminate the employer's cost completely.
- 4.3. In deciding whether to release benefits as a result of flexible retirement, Forth Valley GIS Limited must consider such factors as cost and the need to avoid a situation whereby a person could reduce their hours of work and be financially better off.
- 4.4. Decision-making responsibilities in the exercise of this discretion will vest jointly in the Employment Subgroup of the Board and the Chief Executive, except where the decision relates to the Chief Executive when the decision making will vest in the Board. The decision makers will consider all relevant factors including costs and changes to the employee's contract of employment, and only where it can be demonstrated to be in the interests of Forth Valley GIS Limited will benefits be released.

5. REGULATION 30 – PREMATURE RELEASE OF SCHEME BENEFITS

- 5.1. A scheme member who has attained the age of 55 (age 50 for some pre-1/4/2009 members) can seek the immediate payment of their scheme benefits. However, where the member is under age 60, this must be authorised by Forth Valley GIS Limited. The provision can apply to both current members who are leaving service and to deferred members.
- 5.2. As with the release of benefits through flexible retirement, the early payment of benefits under Regulation 30 may also result in a cost to the employer due to benefits being paid earlier than anticipated. In some cases, (i.e. where the total of the employee's age and membership adds up to less than 85), a penalty reduction may be applied to the employee's benefits. This may reduce or eliminate the employer's cost completely.
- 5.3. If Forth Valley GIS Limited were to have a policy where cost was the sole criteria for determining whether or not to release the benefits, then shorter serving employees would tend to get their benefits released and longer serving employees would not. In order to avoid possible discrimination against longer serving members, it is considered appropriate that this discretion be exercised favourably only in those cases where there is a genuinely compassionate basis such as a scheme member giving up work to tend a sick or elderly relative.
- 5.4. Decision-making responsibilities in the exercise of this discretion will vest jointly in the Employment Subgroup of the Board and the Chief Executive, except where the decision relates to the Chief Executive when the decision making will vest in the Board. The decision makers will consider all relevant factors and only where it can be demonstrated that compassionate grounds exist will benefits be authorised for release.
- 5.5. In determining compassionate grounds, financial reasons alone will not be considered sufficient to justify the release of benefits.

6. REGULATION 22 (ADMINISTRATIVE REGULATION) – SHARED COST ADDITIONAL VOLUNTARY CONTRIBUTION SCHEME

6.1. At present, members can pay Additional Voluntary Contributions (AVC's) to increase their pension and death benefits with no contribution from their employer. The new version of the scheme, as with the previous version, allows employers to set up a shared cost AVC Scheme into which contributions can be paid by both employee and employer.

6.2. Under the previous version of the scheme, Forth Valley GIS Limited did not set up a shared cost AVC arrangement. In view of the potential cost implications this remains the case.

7. REGULATION 53 (ADMINISTRATION REGULATIONS) – INTERNAL DISPUTE RESOLUTION PROCEDURE (“IDRP”)

- 7.1. IDRP is the formal appeals procedure of the Local Government Pension Scheme. Part of the scheme since 1997, it formerly consisted of a two stage process with Stage One being an appeal to an appointed person and Stage Two being an appeal to the Scottish Ministers.
- 7.2. Under the new scheme, Stage One has been expanded so that a member may now appeal to either the appointed person under the scheme or, if the appeal concerns a decision made by the employer, a person specified by the employer to hear such appeals.
- 7.3. Where the appeal concerns the deduction of pension contributions, the specified body for Stage One is the Employment Subgroup of the Board together with the Chief Executive, except where the decision relates to the Chief Executive when the decision making will vest in the Board.

8. REGULATION 78 (ADMINISTRATION REGULATIONS) – ACCEPTANCE OF LATE TRANSFER PAYMENTS

- 8.1. The scheme rules allow new members to transfer previous pension rights into the LGPS provided the request is made within 12 months of joining the scheme. Where the request is made outwith the 12 months period, the transfer may be accepted at the discretion of the employing body. The receipt of a transfer payment within 12 months clarifies the member's rights within the scheme at an early stage and maximises the pension fund investment opportunities, which ultimately flows through to employer contributions.
- 8.2. The initial 12 months of scheme membership is considered to be a suitable length of period during which a scheme member should request a transfer of previous pension rights. Where it has not been possible for the member to make a request as a result of administrative delays, it is considered appropriate to exercise discretion in favour of the member.
- 8.3. Transfer payments should only be accepted where the request to investigate the transfer has been made to Forth Valley GIS Limited within 12 months of joining the scheme. The exception to this is, where in the opinion of the Employment Subgroup of the Board and the Chief Executive there has been undue administrative delay resulting in the member having had less than 12 months in which to lodge an application. Where the late transfer payment relates to the Chief Executive then the decision making will vest in the Board.

30 June 2009

FORTH & OBAN LIMITED
Policy Statement

Employer Discretions

The Local Government Pension Scheme (Scotland) Regulations 2008

POLICY STATEMENT FOR EMPLOYEES WITHIN THE SPECIFIED CLASS DEFINED IN THE PENSION ADMISSION AGREEMENT BETWEEN FALKIRK COUNCIL (the "Administering Authority"), STIRLING COUNCIL (the "Scheme Employer") AND FORTH & OBAN LIMITED (the "Admission Body")

Under Regulation 61 of the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008, each employer participating in the scheme is required to formulate a policy concerning the exercise of certain discretions contained within the regulations.

Forth & Oban Limited after careful consideration and having regard to the extent to which the exercise of the functions could lead to a serious loss of confidence in the public service, has decided to exercise its discretions in the following way.

The statement is applicable to all employees of Forth & Oban Limited who are eligible to be members of the Local Government Pension Scheme.

**1. Regulation 12 of The Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008:
(Increase total membership)**

Forth & Oban Limited will not have a general policy of awarding additional membership in this way, but will consider individual cases on their merits. Forth & Oban Limited may exercise this discretion in an individual case by written resolution where financial or operational advantages can be demonstrated.

Explanatory Notes: This regulation is generally known as 'augmentation'. Although service can be augmented at any time, it can be used as alternative to compensation when considering early retirement. However, it is an expensive option and the employer must make an appropriate payment into the fund within one month of making a resolution.

The amount of additional service awarded must not exceed 10 years.

2. Regulation 13 of The Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008:

(Award additional pension)

Forth & Oban Limited will not have a general policy of awarding additional pension in this way, but will consider individual cases on their merits. Forth & Oban Limited may exercise this discretion in an individual case by written resolution where financial or operational advantages can be demonstrated.

Explanatory Notes: An employer may award a member additional pension of not more than £5,000 a year which would become payable from the same date as the member's normal pension. The employer must make an appropriate payment into the fund within one month of making a resolution.

3. Regulation 18 of The Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008:

(Requirements as to the time of payment – Flexible Retirement)

Forth & Oban Limited will not have a general policy of agreeing to requests for early payment of retirement benefits from a member who has attained age 50¹ and who, with his employer's consent, has also reduced his hours and/or grade. However, where Forth & Oban Limited consider it can be demonstrated as being to their advantage or in their operational interests, it will consider such requests.

Should Forth & Oban Limited agree to the early payment of benefits under this regulation in any case, they will not have a general policy of waiving any reduction which would normally be applied to the benefits.

Explanatory Notes: Where certain conditions are met, the Scheme Regulations allow members to draw some or all of their scheme benefits while still in employment. The conditions are:

- *the member must apply for early payment in writing and be at least age 50¹,*
- *the member, with the employer's consent, reduces the hours he works or his grade of employment and,*
- *the employer agrees to the early payment of his benefits.*

The benefits would be subject to the same level of reduction which would apply had the member retired from employment, but the employer may, at their cost, waive the reduction.

For members who have reached age 60, employer consent to early payment is not required (although consent to reduce hours or grade is).

4. Regulation 30 of The Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008:

(Voluntary early retirement between the ages of 50¹ and 60)

¹ Age 55 or over if leaves employment after 31 March 2010

Any scheme member aged 50¹ or over, providing he has left his employment, can ask for the early payment of pension benefits. Where the member is under age 60, it is at the employer's discretion to agree to early payment. This discretion may also apply to former members with deferred pension rights when they attain age 50¹.

Forth & Oban Limited will not have a general early release policy, but will consider applications on their merits. Forth & Oban Limited may consent to voluntary early release under regulation 30 of the Benefits Regulations where it can be demonstrated as being in Forth & Oban Limited's financial or operational interests. In the event that Forth & Oban Limited does consent to a scheme member's early release, it may further determine on compassionate grounds under regulation 30(5) that a scheme member's benefits should not be reduced. Forth & Oban Limited will only exercise this further discretion in exceptional cases of hardship.

Explanatory Notes: This is an option in the Scheme Regulations which allows members to retire before age 60 provided they are at least 50¹ years old and have their employer's consent, or for former members to obtain access to their deferred benefits early. Benefits would be based on the individual's scheme membership to date of leaving (they would not get benefits based on service to their normal retirement date), and they would suffer a reduction in both their lump sum and pension. The amount of the reduction depends on the extent of the protection applicable to the member in respect of the 'Rule of 85'.

The reduction is calculated in accordance with guidance issued by the Government Actuary's department.

It should be borne in mind that decisions to award early payment of benefits under this regulation put a strain on the pension fund, a cost which is passed on to the employer. However, employers may wish to consent where it could be demonstrated that there were financial benefits in doing so.

**5. Regulation 19 of The Local Government Pension Scheme (Administration) (Scotland) Regulations 2008:
(Late applications to pay optional contributions)**

Under this regulation, a member, returning from an approved period of absence, is permitted to pay the contributions that would have been payable if they had not been absent. Forth & Oban Limited will not generally agree to extend the time-limit of 30 days under regulation 19(1) within which an election to pay the contributions is made. Exceptionally, where an employee provides evidence of extenuating circumstances, the time-limit will be extended by a further 30 days.

¹ Age 55 or over if leaves employment after 31 March 2010

Explanatory Notes: Under this provision, an employee granted a leave of absence must pay pension contributions for the first 30 days of absence so that there is no break in service for pension purposes. Where a period of unpaid absence exceeds 30 days, an employee can elect, within 30 days of return to work, to pay the contributions for that period. An employer may, at their discretion, extend this time-limit.

**6. Regulation 22 of The Local Government Pension Scheme
(Administration) (Scotland) Regulations 2008:
(Establishment of shared cost AVC schemes)**

This regulation allows Forth & Oban Limited to set up an additional voluntary contributions (AVC) scheme requiring a contribution from Forth & Oban Limited. Scheme members already have access to the Forth & Oban Limited Group Stakeholder Pension arrangement which accepts member-only contributions. The policy of Forth & Oban Limited is not to establish a shared cost AVC scheme.

Explanatory Notes: To our knowledge, no employing authority in the UK has established a shared cost AVC scheme. To do so would result in costs for the employer.

**7. Regulation 66 of The Local Government Pension Scheme
(Administration) (Scotland) Regulations 2008:
(Forfeiture of pension rights after conviction of employment-related offences)**

Under this regulation, Forth & Oban Limited may apply to the Scottish Ministers to forfeit all or part of a scheme member's pension benefits. This would apply in a case of conviction for a serious offence which was either 'gravely injurious to the State' or 'liable to lead to serious loss of confidence in the public service'. In the interest of maintaining confidence in the public service, Forth & Oban Limited reserves the right to exercise this discretion should the need arise.

Explanatory Notes: This provision allows the employer the option to apply to the Scottish Ministers to forfeit all or part of a scheme member's pension benefits in specific circumstances (such as a conviction for a serious crime).

**8. Regulation 68 of The Local Government Pension Scheme
(Administration) (Scotland) Regulations 2008:
(Recovery or retention where former member has misconduct obligation)**

Under this regulation, Forth & Oban Limited may recover from his pension benefits any loss arising from a criminal, negligent or fraudulent act by a

former employee. Providing that all other efforts to recover monetary obligations have been exhausted, in the interest of maintaining confidence in the public service, Forth & Oban Limited reserves the right to exercise this discretion should the need arise.

Explanatory Notes: This provision allows employers to recover monies from pension benefits (for example, the theft of a substantial sum of money could be recovered from a scheme member's total benefits in respect of acts of theft or fraud carried out by an employee. This provision can also apply to former employees (for example, the theft of a substantial sum of money could be recovered by deducting this amount from a member's transfer value and only the reduced benefit deferred until retirement age).

**9. Regulation 78 of The Local Government Pension Scheme
(Administration) (Scotland) Regulations 2008:
(Inward transfers of pension rights)**

Forth & Oban Limited will not have a general policy of allowing a late transfer to proceed. Instead it will consider individual applications on their merits and may exercise its discretion to allow a late transfer to proceed where there is no financial impact on Forth & Oban Limited and Falkirk Council Pension Fund.

Explanatory Notes: The Scheme Regulations allow members to transfer previous pension rights into the Local Government Pension Scheme. The Regulations state that all transfers must be requested within 12 months of the member joining the scheme. However, the employer has the discretion to allow transfers to proceed after this time-limit has expired. Employers may wish to consider extenuating circumstances as to why the member did not request the transfer previously. The employer may have a policy not to allow late transfers to proceed where a member is close to retriial or if there is a possibility that early retirement may be considered in the future.

Policy Review

In making this policy, Forth & Oban Limited has referred to the statutory provisions.

This policy statement will be kept under review and will be revised as and when necessary to reflect any changes in regulations or policy. Any changes to this policy will be advised to the administering authority and scheme members in writing within one month of the change taking effect.

Authorised Signature: **A Peter M Walls**

Designation: **Company Secretary**

Date: **26 June 2009**

Agreed at RURC Board Meeting on 29 May 2009**1.1 Regulation 12 – the award of additional scheme membership**

The scheme allows an employer to increase an individual's pension scheme membership by up to 10 years. The facility is sometimes referred to as augmentation and was available (up to a maximum of 6 and 2/3rds years) under the previous version of the scheme.

Typically, this discretion could be used when recruiting for a post or when seeking volunteers for early retirement. The granting of additional scheme membership is a means of enhancing the benefit package available to potential retirees.

The cost of granting additional scheme membership is generally met by a lump sum payment from the employer to the pension fund. Alternatively, it may be possible for the costs to be incorporated in the employer contribution rate as certified by the fund actuary.

Regulation 12 – Policy

The Chief Executive, in conjunction with the Head of Corporate Affairs, will consider all relevant factors and only where it can be demonstrated to be in the interests of RURC will additional scheme membership be granted following approval by the Staffing and Remuneration Sub Committee and the Board.

Additional scheme membership will not be granted if the scheme member has been granted either:

- Compensatory Added Years under the Discretionary Payments legislation; or
- Additional Scheme Pension under Regulation 13 of the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008.

This policy statement also applies to members with deferred entitlements under previous versions of the scheme.

1.2 Regulation 13 – the award of additional scheme pension

The scheme allows an employer to award a member an additional pension of up to £5,000 per year. This facility was not available under previous versions of the scheme.

As with the award of additional scheme membership, this discretion could be used to assist recruitment or early retirement. The cost would be met by the employer.

Regulation 13 – Policy

The Chief Executive, in conjunction with the Head of Corporate Affairs will consider all relevant factors and only where it can be demonstrated to be in the interests of RURC will additional scheme pension be granted following approval by the Staffing and Remuneration Sub Committee and the Board.

An award of additional scheme pension will not be made if the scheme member has been granted either:

- Compensatory Added Years under the Discretionary Payments legislation; or
- Additional Scheme Membership under Regulation 12 of the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008.

1.3 Regulation 18 – the release of scheme benefits as a result of flexible retirement

An employee, who is between age 55 and 60 (between age 50 and 60 for some pre-1/4/2009 members) and who has been allowed by a scheme employer to work reduced hours or at a reduced grade, may request the immediate payment of scheme benefits.

Where it is agreed to release the benefits, there may be a cost to the employer due to the benefits being paid out earlier than anticipated. In some cases, (ie. where the total of the employee's age and membership adds up to less than 85), a penalty reduction may be applied to the employee's benefits. This may reduce or eliminate the employer's cost completely.

In deciding whether to release benefits as a result of flexible retirement, RURC must consider such factors as cost and the need to avoid a situation whereby a person could reduce their hours of work and be financially better off.

Regulation 18 –Policy

The Chief Executive, in conjunction with the Head of Corporate Affairs will consider all relevant factors including costs and changes to the employee's contract of employment, and only where it can be demonstrated to be in the interests of RURC will benefits be released following approval by the Staffing and Remuneration Sub Committee and the Board.

1.4 Regulation 30 – Premature Release of Scheme Benefits

A scheme member who has attained the age of 55 (age 50 for some pre-1/4/2009 members) can seek the immediate payment of their scheme benefits. However, where the member is under age 60, this must be authorised by RURC. The provision can apply to both current members who are leaving service and to deferred members.

As with the release of benefits through flexible retirement, the early payment of benefits under Regulation 30 may also result in a cost to the employer due to benefits being paid earlier than anticipated. In some cases, (ie. where the total of the employee's age and membership adds up to less than 85), a penalty reduction may be applied to the employee's benefits. This may reduce or eliminate the employer's cost completely.

If RURC were to have a policy where cost was the sole criteria for determining whether or not to release the benefits, then shorter serving employees would tend to get their benefits released and longer serving employees would not. In order to avoid possible discrimination against longer serving members, it is considered appropriate that this discretion be exercised favourably only in those cases where there is a genuinely compassionate basis such as a scheme member giving up work to tend a sick or elderly relative.

Regulation 30 – Policy

The Chief Executive, in conjunction with the Head of Corporate Affairs will consider all relevant factors and only where it can be demonstrated that compassionate grounds exist will benefits be authorised for release following approval by the Staffing and Remuneration Sub Committee and the Board.

In determining compassionate grounds, financial reasons alone will not be considered sufficient to justify the release of benefits.

1.5 Regulation 22– Shared Cost Additional Voluntary Contribution Scheme

At present, members can pay Additional Voluntary Contributions (AVC's) to increase their pension and death benefits with no contribution from their employer. The new version of the scheme, as with the previous version, allows employers to set up a shared cost AVC Scheme into which contributions can be paid by both employee and employer. Under the previous version of the scheme, RURC did not have a shared cost AVC arrangement. In view of the potential cost implications, it is considered that this remains the correct approach.

Regulation 22 – Policy

RURC will not implement a shared cost additional voluntary contribution scheme.

1.6 Regulation 53 (Admin. Regs) - Internal Disputes Resolution Procedure (IDRP)

IDRP is the formal appeals procedure of the LGPS. Part of the scheme since 1997, it formerly consisted of a two stage process with Stage One being an appeal to an appointed person and Stage Two being an appeal to the Scottish Ministers. In relation to hearing Stage One appeals, Falkirk Council has had a reciprocal arrangement with Strathclyde Pension Fund. Under the new scheme, Stage One has been expanded so that a member may now appeal to either the appointed person (i.e. Strathclyde Fund) or, if the appeal concerns a decision made by the employer, to a person specified by the employer to hear such appeals.

Regulation 53 –Policy

Where the appeal concerning a decision made by RURC concerns the deduction of pension contributions, the specified person is the Chief Executive, otherwise it is the Head of Corporate Affairs.

1.7 Regulation 78 - Acceptance of late transfer payments

The scheme rules allow new members to transfer previous pension rights into the LGPS provided the request is made within 12 months of joining the scheme. Where the request is made outwith the 12 month period, the transfer may be accepted at the discretion of the employing body. The receipt of a transfer payment within 12 months clarifies the member's rights within the scheme at an early stage and maximises the pension fund investment opportunities, which ultimately flow through to employer contributions.

The initial 12 months of scheme membership is considered to be a suitable length of period during which a scheme member should request a transfer of previous pension rights. Where it has not been possible for the member to make a request as a result of administrative delays, it is considered appropriate to exercise discretion in favour of the member.

Regulation 78 –Policy

Transfer payments should only be accepted where the request to investigate the transfer has been made to the Pensions Section of Falkirk Council within 12 months of joining the scheme. The exception to this is, where in the opinion of the Pensions Manager of Falkirk Council, there has been undue administrative delay resulting in the member having had less than 12 months in which to lodge an application.

1. Introduction

- 1.1 Following the implementation of the recently amended Local Government Pension Scheme (LGPS) on 1st April, 2009, SCRA is able to provide a statement on how it will manage a number of discretionary powers within the Scheme.
- 1.2 Falkirk Council administers the LGPS on behalf of SCRA and these arrangements will apply to all existing active members on 1st April, 2009 and to all new members joining the scheme thereafter.
- 1.3 The main areas of discretion that SCRA may consider appropriate in managing staff approaching retirement or leaving SCRA on the basis of retirement are:-
 - The award of additional scheme membership;
 - The award of additional scheme pension;
 - The release of scheme benefits as a result of flexible retirement;
 - The premature release of scheme benefits;
 - Acceptance of late transfer payments; and
 - Internal Disputes Resolution Procedure

2. SCRA Policy

2.1 *Additional Scheme Membership*

SCRA may consider, where appropriate, to increase an individual's pension scheme membership by up to a maximum of 10 years when SCRA is seeking volunteers for early retirement. The Director of Human Resources in conjunction with the Director of Finance will consider all relevant factors and only where it can be demonstrated to be in the interests of the efficiency of SCRA will additional scheme membership be granted.

2.2 *Award of Additional Scheme Pension*

SCRA will not consider awarding an additional scheme pension on early retirement from the service of SCRA.

2.3 *The Release of Scheme Benefits as a Result of Flexible Retirement*

SCRA may consider, where appropriate, the immediate payment of scheme benefits to an employee, who is between age 55 and 60 (or 50 and 60 for some pre-1/4/09 members) and who has been allowed by SCRA to work reduced hours or at a reduced grade. SCRA will consider the cost implications to the organisation in terms of strain costs against the LGPS fund and the penalty reduction which may be applied to the employee's benefits as a result of the earlier than anticipated release of benefits. SCRA is also required to consider such factors as cost and the need to avoid a situation whereby a person could reduce their hours of work and be financially better off.

The Director of Human Resources in conjunction with the Director of Finance will consider all relevant factors including costs and changes to the employee's contract of employment, and only where it can be demonstrated to be in the interests of SCRA will benefits be released.

2.4 Early Release of Scheme Benefits

SCRA may consider, where appropriate, the immediate payment of scheme benefits on the request from a scheme member who has attained the age of 55 (age 50 for some pre-1/4/09 members). Where the employee is aged 60 or over, they do not require to seek authorisation from SCRA. The early release for those employees under the age of 60 may result in a significant cost to SCRA due to benefits being paid earlier than anticipated. In addition, the member may also suffer a penalty reduction in their benefits.

To ensure fairness and consistency in the consideration of this benefit and to reduce any potential discrimination against longer serving members (whose early release will have a bigger financial strain for SCRA) cost alone should not be the deciding factor in authorising this benefit. It is considered appropriate that discretion be exercised favourably only in those cases where there is a genuinely compassionate basis such as a scheme member giving up work to tend a sick or elderly relative.

The Director of Human Resources in conjunction with the Director of Finance will consider all relevant factors and only where it can be demonstrated that compassionate grounds exist will benefits be authorised for release.

2.5 Acceptance of Late Transfer Payments

SCRA may consider allowing new members of staff to transfer previous pension rights into the LGPS at any time during their employment with SCRA.

2.6 Internal Dispute Resolution Procedure

If an employee wishes to appeal against any internal decisions made regarding their pension entitlements or the deduction of pension contributions, they should write in the first instance to the Director of Human Resources who will make arrangements for an appropriate person to hear and consider their appeal.

2.7 Discretionary Payments and Injury Benefits

SCRA may consider, where appropriate, making payment of an ill health gratuity in line with the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Amendment Regulations 2009.

3. Financial Implications

- 3.1 By utilising any of these discretions will have a financial impact on SCRA. It is not possible to identify the level of finances required year on year. However, each case will be considered on its own merits and the funding sources identified appropriately with the Director of Finance prior to any final decisions being made.

4. Conclusions

- 4.1 As an employer in the public sector SCRA must ensure that all financial implications in exercising these discretions are fully considered before any commitment is made.

22 March 2013

Our Ref: JR/GF/Human Resources Dept.

Private and Confidential

Mr Alastair McGirr
Falkirk Pensions
Falkirk Council
Finance Services
Municipal Buildings
FALKIRK
FK1 5RS

Dear Alastair

Local Government Pension Scheme (LGPS) – Employer Discretions

As you are aware, when the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 were introduced, SEPA took the decision to adopt an identical policy to that of Falkirk Council in relation to the exercise of its functions under regulations 12,13,18 and 30 of the Benefits Regulations.

SEPA's Agency Management Team has now reviewed this policy and, following consultation with the recognised trade union, has agreed that it is appropriate to adopt a SEPA specific policy. I've enclosed details of the agreed changes which have been effective since Monday 11 March 2013.

Should you require any further information, please do not hesitate to contact me on 01786 455900.

Yours sincerely

Jennifer Russell

Jennifer Russell
HR Manager

Enc.



Chairman
David Sigsworth

Chief Executive
James Curran

Corporate Office
Erskine Court, Castle Business Park, Stirling FK9 4TR
tel 01786 457700 fax 01786 446885
www.sepa.org.uk

Scottish Environment Protection Agency (SEPA)

Local Government Pension Scheme (LGPS) – Summary of Employer Discretions

Regulation 12 – Award of Additional Scheme Membership

The Chief Executive and AMT member, with responsibility for the business area, will consider all relevant factors and only where it can be demonstrated to be in the interests of SEPA will additional membership be granted.

Regulation 13 – Award of Additional Scheme Pension

The Chief Executive and AMT member, with responsibility for the business area, will consider all relevant factors and only where it can be demonstrated to be in the interests of SEPA will additional pension be granted.

Regulation 18 – Release of Scheme Benefits through Flexible Retirement

The Chief Executive and AMT member, with responsibility for the business area, will consider all relevant factors including costs and changes to the employee's contract of employment, and only where it can be demonstrated to be in the interests of SEPA will benefits be released.

Regulation 30 – Premature Release of Scheme Benefits

The Chief Executive and AMT member, with responsibility for the business area, will consider all relevant factors and only where it can be demonstrated that compassionate grounds exist will benefits be authorised for release.

In determining compassionate grounds, financial reason alone will not be considered sufficient to justify the release of benefits.

Regulation 22 – Shared Cost AVC Scheme

SEPA will not implement a shared cost additional voluntary contribution scheme.

Regulation 53 – Internal Disputes Resolution Procedure

Where the appeal concerns the deduction of pension contributions, the specified person to hear an appeal is the Chief Officer Finance, otherwise it is the Chief Officer Resources.

Regulation 78 – Acceptance of Late Transfer Payments

Unless there have been administrative delays, transfer payments will only be accepted where the request to transfer has been made within 12 months of joining the scheme.

Professor James Curran, Chief Executive
11 March 2013

**Appendix 2
(Stirling Council)**

Local Government Pension Scheme - Summary of Employer Discretions

Regulation 12 - Award of Additional Scheme Membership
The Chief Executive will determine this discretion in the light of all relevant factors and only where it can be demonstrated to be in the interests of the Council will additional membership be granted.
Additional membership will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Pension
The policy under the new scheme is the same as the policy under the old scheme

Regulation 13 - Award of Additional Scheme Pension
The Chief Executive will determine this discretion in the light of all relevant factors and only where it can be demonstrated to be in the interests of the Council will additional pension be granted.
Additional pension will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Membership
There was no equivalent policy under the old scheme

Regulation 18 - Release of Scheme Benefits through Flexible Retirement
The Chief Executive will determine this discretion in the light of all relevant factors including costs and changes to the employee's contract of employment, and only where it can be demonstrated to be in the interests of the Council will benefits be released.
There was no equivalent policy under the old scheme

Regulation 30 – Premature Release of Scheme Benefits
The Chief Executive will determine this discretion in the light all relevant factors and only where it can be demonstrated that compassionate grounds exist will benefits be authorised for release.
In determining compassionate grounds, financial reasons alone will not be considered sufficient to justify the release of benefits.
The policy under the old scheme enabled benefits to be released early in a wider range of

circumstances. The policy has been changed to avoid claims of discrimination.

Regulation 22 – Shared Cost AVC Scheme

The Council will not implement a shared cost additional voluntary contribution scheme.

The policy under the new scheme is the same as the policy under the old scheme

Regulation 53 – Internal Disputes Resolution Procedure

Where the appeal concerns the deduction of pension contributions, the specified person to hear an appeal is the Chief Financial Officer.

There was no equivalent policy under the old scheme

Regulation 78 – Acceptance of Late Transfer Payments

Unless there have been administrative delays, transfer payments will only be accepted where the request to transfer has been made within 12 months of joining the scheme.

The policy under the new scheme represents a formalising of the arrangements that existed under the old scheme.

LOCAL GOVERNMENT PENSION SCHEME (LGPS) – EMPLOYER DISCRETIONS.

With reference to the letter dated 11th May 2009 from the Director of Finance, Falkirk Council, I have enclosed the updated policy statement relating to Stirling Enterprise Park Limited. The policy statement is very similar to the one detailed in the letter, with amendments being made to ensure that the statement relates to Stirling Enterprise Park Limited only.

For purposes of clarity, I have used below identical reference numbers to the ones used in your letter.

3.1 – Regulation 12 – the award of additional scheme membership.

Regulation 12 - Policy Statement:-

The Executive Director will consider all relevant factors and only when it can be demonstrated to be in the interests of Stirling Enterprise Park Limited will additional scheme membership be granted.

3.2 – Regulation 13 – the award of additional scheme pension.

Regulation 13 - Policy Statement:-

The Executive Director will consider all relevant factors and only when it can be demonstrated to be in the interests of Stirling Enterprise Park Limited will additional scheme membership be granted.

3.3 – Regulation 18 – the release of scheme benefits as a result of flexible retirement.

Regulation 18 Policy Statement:-

The Executive Director will consider all relevant factors including costs and changes to the employee's contract of employment, and only when it can be demonstrated to be in the interests of Stirling Enterprise Park Limited will benefits be released. In deciding whether to release benefits as a result of flexible retirement, Stirling Enterprise Park Limited must consider the need to avoid a situation whereby a person could reduce their hours of work and be financially better off.

3.4 – Regulation 30 – premature release of scheme benefits.

Regulation 30 Policy Statement:-

The Executive Director of Stirling Enterprise Park Limited will consider all relevant factors and only when it can be demonstrated that compassionate grounds exist will benefits be authorised for release. In determining compassionate grounds, financial reasons alone will not be considered sufficient to justify the release of benefits.

3.5 – Regulation 22 (Administration Regulations) – shared cost additional voluntary contribution scheme.

Regulation 22 – Policy Statement:-

Stirling Enterprise Park Limited will not implement a shared cost additional voluntary contribution scheme.

3.6 – Regulation 53 (Administration Regulations) – internal disputes resolution procedure (IDRP).

Regulation 53 – Policy Statement:-

Where the appeal concerns a decision made by the employer, the specified person is the Executive Director.

3.7 – Regulation 78 (Administration Regulations) – acceptance of late transfer payments.

Regulation 78 – Policy Statement:-

Transfer payments should only be accepted where the request to investigate the transfer has been made to the Pensions Section of Falkirk Council within twelve months of joining the scheme. The exception to this is, where in the opinion of the Pensions Manager of Falkirk Council, there has been undue administrative delay, resulting in the member being unable to lodge an application within the aforementioned timescale.

STRATHCARRON HOSPICE PENSION SCHEME

Strathcarron Hospice's Pension Scheme is part of the Local Government Pension Scheme administered by Falkirk Council, although a very small number of staff have membership of the NHS Scheme agreed many years ago on a personal basis. A new version of the Local Government Pension Scheme came into effect on the 1st April 2009 and one of the implications of this was that the scheme rules require employers to formulate and publish a written statement indicating how they intend exercise their discretionary powers in the regulations within the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2008. The following document outlines Strathcarron Hospice's policy on the Pension Scheme.

It is proposed that any discretionary powers exercised by Strathcarron Hospice would be exercised on the recommendation of the Director and these would be submitted to the Executive Committee for approval. Such discretion would only be exercised in exceptional circumstances and at the discretion of the Executive Committee. In exercising any discretion the Executive Committee will take cognisance of the fact that Strathcarron hospice is a Charity and the public perception of the use of this discretion must be taken into account.

The Award of Additional Scheme Membership (Regulation 12)

The scheme allows an employer to increase an individual's pension scheme membership by up to 10 years. Typically this discretion could be used as an incentive when recruiting for a key post or when seeking volunteers for early retirement. The cost of granting additional scheme membership is generally met through a capital lump sum payment from the employer to the pension fund.

In exceptional circumstances Strathcarron Hospice will consider the granting of additional scheme membership where this has an overall benefit to the Hospice. It is extremely unlikely that the Hospice would wish to exercise discretion as an incentive to recruitment, but may wish to exercise discretion where it is in the interests of the service that the Organisation is restructured and if the Hospice wishes or needs to seek volunteers for early retirement.

The Award of Additional Scheme Pension (Regulation 13)

The scheme allows an employer to award a member an additional pension of up to £5,000 a year, again as either a means of assisting recruitment or encouraging early retirement. The cost would be met by the employer.

Strathcarron Hospice does not envisage using this as a means of encouraging recruitment but reserves the right to consider this in the event of any Organisational restructuring where it would be in the best interests of the Hospice and would result in overall cost savings.

The Hospice would not provide both additional scheme membership and additional pension scheme to any individual employee.

The Release of Scheme Benefits as a Result of Flexible Retirement (Regulation 18)

An employee who is between the age 55 and 60 or more and who has been allowed by the Hospice to reduce their working hours or grade may request immediate payment of scheme benefits. This could result in a financial penalty to the employer. The Executive Committee will consider all relevant factors; including the cost and changes to the employee's contract of employment and only in very exceptional circumstances where it is in the interests of the Hospice will benefits be released.

Shared Cost Additional Voluntary Contribution Scheme (Regulation 22)

Members can pay Additional Voluntary Contributions (AVCs) to increase their pension and death benefits with no contribution from the Hospice. Strathcarron Hospices will not implement a shared cost additional voluntary contributions scheme.

The Premature Release of Scheme Benefits (Regulation 30)

A scheme member who has attained the age of 55 can seek the immediate payment of their scheme benefits, but if they are under the age of 60 this must be authorised by the Hospice. The early payment of benefits may result in a cost to the employer due to benefits being paid earlier than anticipated, although this may be reduced if the employee's age and membership adds up to less than 85 and as a result, a penalty reduction is applied to the employee's benefits. It is recommended that the Executive Committee would only exercise this discretion in exceptional circumstances where there is a genuinely compassionate basis for doing so e.g. to enable a scheme member to give up work to care for a sick or elderly relative. Financial hardship on its own would not constitute compassionate grounds.

Acceptance of Late Transfer Payments (Regulation 78)

Transfer payments will only be accepted where the request to investigate the transfer has been made within 12 months of joining of the scheme.

Disputes Procedure

Any dispute will be dealt with through the Hospice's Grievance Procedure.

Local Government Pension Scheme - Summary of Employer Discretions

Regulation 12 - Award of Additional Scheme Membership
The Director of Finance, Head of Human Resources and Employing Service will consider all relevant factors and only where it can be demonstrated to be in the interests of the Council will additional membership be granted.
Additional membership will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Pension
The policy under the new scheme is the same as the policy under the old scheme

Regulation 13 - Award of Additional Scheme Pension
The Director of Finance, Head of Human Resources and Employing Service will consider all relevant factors and only where it can be demonstrated to be in the interests of the Council will additional pension be granted.
Additional pension will not be granted if the scheme member has been granted Compensatory Added Years or Additional Scheme Membership
There was no equivalent policy under the old scheme

Regulation 18 - Release of Scheme Benefits through Flexible Retirement
The Director of Finance, Head of Human Resources and Employing Service will consider all relevant factors including costs and changes to the employee's contract of employment, and only where it can be demonstrated to be in the interests of the Council will benefits be released.
There was no equivalent policy under the old scheme

Regulation 30 – Premature Release of Scheme Benefits
The Director of Finance, in conjunction with the Head of Human Resources and the Employing Service, will consider all relevant factors and only where it can be demonstrated that compassionate grounds exist will benefits be authorised for release.
In determining compassionate grounds, financial reasons alone will not be considered sufficient to justify the release of benefits.
The policy under the old scheme enabled benefits to be released early in a wider range of circumstances. The policy has been changed to avoid claims of discrimination.

Regulation 22 – Shared Cost AVC Scheme

The Council will not implement a shared cost additional voluntary contribution scheme.

The policy under the new scheme is the same as the policy under the old scheme

Regulation 53 – Internal Disputes Resolution Procedure

Where the appeal concerns the deduction of pension contributions, the specified person to hear an appeal is the Director of Finance, otherwise it is the Head of Human Resources.

There was no equivalent policy under the old scheme

Regulation 78 – Acceptance of Late Transfer Payments

Unless there have been administrative delays, transfer payments will only be accepted where the request to transfer has been made within 12 months of joining the scheme.

The policy under the new scheme represents a formalising of the arrangements that existed under the old scheme.

Notes on LGPS Policy adoption and review

This is a requirement of the new scheme - each employer must have a policy in place by 30 June 2009 on regulations 12 (power to increase total membership), 13 (power to award additional pension), 18 (flexible retirement) and 30 (early payment of pension).

It is recommended that employers also formulate their policy in respect of the other regulations included below.

It must be published (made known to members) and a copy sent to the Fund. It must be kept under review and revised following any change in policy.

Any revisions must be published and a copy sent to the Fund within 1 month of the revision.

In formulating their policy, employers must have regard to the extent to which the exercise of its policy could lead to a serious loss of confidence in the public service.

The Local Government Pension Scheme (Scotland) Regulations 2008**Policy Statement (*draft only*)**

Under Regulation 61 of the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008, each employer participating in the scheme is required to formulate a policy concerning the exercise of certain discretions contained within the regulations.

VisitScotland after careful consideration and having regard to the extent to which the exercise of the functions could lead to a serious loss of confidence in the public service, has decided to exercise its discretions in the following way.

The statement is applicable to all employees of VisitScotland who are eligible to be members of the Local Government Pension Scheme

1. Regulation 12 of The Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008: (Increase total membership)**Policy**

VisitScotland will not have a general policy of awarding additional membership in this way, but will consider individual cases on their merits. VisitScotland may exercise this discretion in an individual case by written resolution where financial or operational advantages can be demonstrated.

2. Regulation 13 of The Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008: (Award additional pension)**Policy**

VisitScotland will not have a general policy of awarding additional pension in this way, but will consider individual cases on their merits. VisitScotland may

exercise this discretion in an individual case by written resolution where financial or operational advantages can be demonstrated.

3. Regulation 18 of The Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008: (Requirements as to the time of payment – Flexible Retirement)

Policy

VisitScotland will not have a general policy of agreeing to requests for early payment of retirement benefits from a member who has attained age 50¹ and who, with his employer's consent, has also reduced his hours and/or grade. However where VisitScotland consider it can be demonstrated as being to their advantage or in their operational interests, it will consider such requests.

Should VisitScotland agree to the early payment of benefits under this regulation in any case, they will not have a general policy of waiving any reduction which would normally be applied to the benefits.

4. Regulation 30 of The Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008: (Voluntary early retirement between the ages of 50¹ and 60)

Policy:

Any scheme member aged 50¹ or over, providing he has left his employment, can ask for the early payment of pension benefits. Where the member is under age 60, it is at the employer's discretion to agree to early payment. This discretion may also apply to former members with deferred pension rights when they attain age 50¹.

VisitScotland will not have a general early release policy, but will consider applications on their merits. VisitScotland may consent to voluntary early release under regulation 30 of the Benefits Regulations where it can be demonstrated as being in VisitScotland's financial or operational interests. In the event that VisitScotland does consent to a scheme member's early release it may further determine on compassionate grounds under regulation 30(5) that a scheme member's benefits should not be reduced. VisitScotland will only exercise this further discretion in exceptional cases of hardship.

5. Regulation 19 of The Local Government Pension Scheme (Administration) (Scotland) Regulations 2008: (Late applications to pay optional contributions)

Under this regulation, a member, returning from an approved period of absence, is permitted to pay the contributions that would have been payable if they had not been absent. The VisitScotland will not generally agree to extend the time-limit of 30 days under regulation 19(1) within which an election to pay

¹ Age 55 or over if leaves employment after 31 March 2010

the contributions is made. Exceptionally, where an employee provides evidence of extenuating circumstances, the time-limit will be extended by a further 30 days.

6. Regulation 22 of The Local Government Pension Scheme (Administration) (Scotland) Regulations 2008: (Establishment of shared cost AVC schemes)

Policy

This regulation allows VisitScotland to set up an additional voluntary contributions (AVC) scheme requiring a contribution from VisitScotland Scheme members already have access to an AVC arrangement which accepts member-only contributions. The policy of VisitScotland is not to establish a shared cost AVC scheme

7. Regulation 66 of The Local Government Pension Scheme (Administration) (Scotland) Regulations 2008: (Forfeiture of pension rights after conviction of employment-related offences)

Policy

Under this regulation, VisitScotland may apply to the Scottish Ministers to forfeit all or part of a scheme member's pension benefits. This would apply in a case of conviction for a serious offence which were either 'gravely injurious to the State' or 'liable to lead to serious loss of confidence in the public service'. In the interest of maintaining confidence in the public service, VisitScotland reserves the right to exercise this discretion should the need arise.

8. Regulation 68 of The Local Government Pension Scheme (Administration) (Scotland) Regulations 2008: (Recovery or retention where former member has misconduct obligation)

Policy

Under this regulation, VisitScotland may recover from his pension benefits any loss arising from a criminal, negligent or fraudulent act by a former employee. Providing that all other efforts to recover monetary obligations have been exhausted, in the interest of maintaining confidence in the public service, VisitScotland reserves the right to exercise this discretion should the need arise.

9. Regulation 78 of The Local Government Pension Scheme (Administration) (Scotland) Regulations 2008: (Inward Transfers of Pension rights)

Policy

VisitScotland will not have a general policy of allowing a late transfer to proceed. Instead it will consider individual applications on their merits and

may exercise its discretion to allow a late transfer to proceed where there is no financial impact on VisitScotland and Lothian Pension Fund.

10. The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 and The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Amendment Regulations 2008

Policy

Redundancy entitlement and payments are calculated in line with the VisitScotland Redundancy Policy.

Policy Review

In making this policy, VisitScotland has referred to the statutory provisions and to advice from the City of Edinburgh Council as the Pension Scheme administering authority

This policy statement will be kept under review and will be revised as and when necessary to reflect any changes in regulations or policy. Any changes to this policy will be advised to the administering authority and scheme members in writing within one month of the change taking effect.

Authorised signature: Philip Riddle

Designation: Chief Executive

Date: 1/9/09