



The Local Government Pension Scheme (LGPS) – Employer Statement of Policy

NORTHUMBERLAND INSHORE FISHERIES & CONSERVATION AUTHORITY

Introduction

The regulations governing the LGPS require all employers who participate in the scheme to produce a policy setting how they will apply certain discretions which are available to employers under the rules of the scheme.

The following information sets out how NIFCA ('The Authority') will apply these discretions.

1. Awarding Additional Pension

The rules governing the LGPS allow an employer to grant additional pension (up to a maximum of £7,316 from 1st April 2021) to an employee where the employee is being made redundant (see regulation 31 of the LGPS Regulations 2013), subject to the employer meeting the cost which such an additional award of pension would inflict upon the pension fund.

Policy: The Authority will not normally award additional pension to employees. However the Authority does reserve the right to award additional pension in exceptional services where it is clearly in the financial and/or managerial interests of the organisation to do so.

2. Employer Sharing Cost Of Purchasing Additional Pension (SCAPC)

The regulations governing the LGPS allow scheme members to purchase additional annual pension (up to a limit of £7,316 from 1st April 2021) by making additional voluntary pension contributions (APCs). Further to this, the scheme rules allow employers to voluntarily contribute to the cost of purchasing such additional pension via a shared cost additional pension contribution (SCAPC – see regulations 16(2) and 16(4) of the LGPS Regulations) if they so wish.

Policy: Employees who are scheme members may purchase additional annual pension if they so wish (subject to the rules of the LGPS). The Authority will not normally contribute to the cost of purchasing such additional pension. However the Authority does reserve the right in exceptional circumstances to contribute to the

cost of purchasing such additional pension where it is clearly in the financial and/or managerial interests of the Authority to do so.

3. Granting Flexible Retirement

The regulations governing the LGPS allow an employer to agree to an employee, aged 55 or over, reducing their hours of work or moving to a lower graded job (see regulation 30(6) of the LGPS Regulations) and starting to receive their pension. Where a person is granted the early payment of their pension in these circumstances (i.e. the pension is paid before the scheme's normal retirement age) the pension would be subject to an actuarially assessed reduction.

Policy: The Authority will consider each request for flexible retirement on its merits and will only agree to grant such retirement where it can be clearly established that granting such retirement would be in the financial and/or managerial interests of the organisation.

4. Applying 'Rule of 85-Year' Protections

The regulations governing the LGPS allow an employer to apply the 85-year rule protections for a member who voluntarily draws their benefits on or after age 55 and before age 60 (see Regulations 1(c) of Schedule 2 of the LGPS Regulations).

Policy: The Authority will consider each request to 'switch on' the 85-year rule on its merits and will only agree to grant such a request where it can be clearly established that doing so would be in the financial and/or managerial interests of the organisation.

5. Waiving Actuarial Reductions

Where a person voluntarily retires early (i.e. on or after age 55 and before the scheme's normal retirement age) their pension will normally be subject to an actuarial assessed reduction to take account of the fact that the pension will be paid for a longer period. The scheme rules do however allow the employer to waive the reductions which would apply to the pension (e.g on compassionate grounds) subject to the employer meeting the cost.

Policy: The Authority will not normally agree to waive actuarial reductions. However the Authority does reserve the right to waive reductions in exceptional circumstances where it is clearly in the financial and/or managerial interests of the organisation to do so.

END OF POLICY