

Summary for employers of the key, required and the useful, areas for policy statement – Active members and leavers from April 2014

Required/ Mandatory = shaded box

Formulate, publish, review your policy statement. Send a copy to Oxfordshire Pension Fund. Set out review process. It is a statutory requirement, but also promotes open administration, help build awareness of pension provision and correct pension benefit payments

Quick description / summary / related areas grouped	Regulation x reference	Points to consider	
For admitted and designated bodies resolve who will join the scheme	2013 regs LGPS 2	Resolution minutes, admission agreement should specify closed/ open arrangements	Not required for County, districts, Colleges, Academies OBU where there is contractual enrolment
All employers determine employee contribution rate and terms of review	2013 regs LGPS 9	Actual pensionable pay for year to determine rate from table continual assessment , annual review, or other method. What prompts change, beyond the annual review, how do you tell members? Ensure payroll function understand; end of year reconciliation process should link and be able to report as fund requires.	System must cope with pay variables , sickness unpaid , assumed pensionable pay, additional contributions etc HR guide on www.lgpsregs.org important source practical information


Employer must declare what arrangements if any will form shared cost additional pension contribution (SCAPC) process	2013 regs LGPS 16	This is not the provision to restore lost pension after a period of authorised no pay leave. Employers MUST contribute to that when request made correctly. If you are processing APCs in any form outside that permitted (single sum or instalments over whole years), then you may need a variation in your policy statement.	
Under what circumstances will 30-day deadline be extended for SCAPC request? NB SCAPC is not relevant during reduced or no pay breaks due to illness, or reduced pay due to relevant paid child related leave	2013 regs LGPS 16	How does your standard process to alert members of SCAPC facility after unpaid breaks work? Permitting an extension allows scope for parties to collate information - E.g. obtain medical report. Consider reasons for member asking for a late request - what is process, who decides.	
Will employer contribute to a member's AVC? This specifically a shared cost AVC (SCAVC)	2013 regs LGPS 17	This fund has AVC arrangement with Prudential - any decision in this area will need early notice with Pension Fund to determine change to reports and reconciliations, and full reporting to scheme members .	
Clarify in employee contract, elements of pensionable pay.	2013 regs LGPS 20	Check definitions in the regulations for the pay which must be pensionable and that which is not. Ensure member	This sets the scene too for member contribution rate setting.

		knows, ensure pay elements are clear to reflect pensionable and non-pensionable.	How / who resolves questions? Be aware of regulation differences to correctly assess 'final pay' for pre 2014 scheme and pensionable pay for post 2014 CARE scheme. Also implications of end of year differences.
Assumed Pensionable Pay assessments decide whether to include regular lump sum payments from previous 12 months	2013 regs LGPS 21	Used for reduced and no pay illness periods to protect pension values. Also for certain benefit calculations	APP is an essential procedure and must be built in with monthly returns. Inform member about assessment process - this is required to enable members check their benefit statements 'pay values'
Assumed Pensionable Pay assessments can be updated if the value otherwise produced is materially lower than the member might have normally expected to have received	2013 regs LGPS 21	How will you use this? how does this fit into the APP assessment? Be aware of what might trigger this approach. Especially when managing long term illness.	
Generally, a member has 12 months to decide that they will not link previous or concurrent periods of membership. Without that written request the periods are linked. Employer can extend the 12-month deadline for member to make decision.	2013 regs LGPS 22 and transitional regs 10	Periods would be automatically linked and only kept separate on member written request within 12 months of joining new employment When considering a request to extend deadline consider need to look at effects on the	This is 2014 regulation change of process. Previously periods were linked only if member requested the link - there will be some new starters who may have this retained right ie you will be deciding to allow a link after 12 months rather than here allow the request to

		benefits / employer cost of linking or not - why is member requesting the time extension	NOT link. There may be different financial implications
Will employer adopt a flexible retirement policy? Under what terms ?	2013 regs LGPS 30 And TP 11	Member aged at least 55 requests early release of pension in exchange for reduction of hours or pay . Employer sets up terms and outside of protected pension whether any reductions will be waived Member can choose some or all accrued benefits payable or not - practical issues here.	Protections include 85 year / tapering and employer must pay shortfall 'pension strain or hidden cost' ' Obtain estimates of cost from Pension Services
Employer can waive some or all the percentage reduction for early payment when member requests early vol pension before normal pension age– Only has CARE scheme membership post 2014	2013 regs LGPS 30	What criteria might you consider ? how would member apply? NB this is not referencing to certified ill health retirement	
Member early request for pension between age 55 – 60 employer can switch on 85-year protections (does not apply to flex retirement where 85-year rules are protected)	transitory reg Sch 2		
Waiving reductions for early payment requests before normal pension age having membership before and after 2014 on compassionate grounds (not flex retirement)	transitory reg	What are compassionate grounds ? What information might an employer need to make decision, get estimate of any hidden costs which may apply	but may be justifiable.

Grant additional pension to active member or within 6 months of leaving on redundancy	2013 regs LGPS 31	Under what terms might this be used Who and how approves ?	Employer costs due on award not when pension paid
Variety of employer actions and decisions must be built into routines concerning tier three ill health review and reinstatement	2013 regs LGPS 37	Ideal to get this procedure in place as soon as you award this pension ... the member has left but you must keep in touch as award must be reviewed.	Member too can ask for changes including after the pension suspended after 3 years suspension or if returned to employment.
Early payment of deferred pension on permanent ill health grounds	2013 regs LGPS 38 (and other regs when member left pensionable service)	NB member with deferred or preserved pension can request ill health review check you prepare assessment under the correct regulations because criteria has changed over different regulations	Request medical proforma and certificate You cannot say you will not assess whether member meets criteria.
Employer has actions and decisions to consider in relation to forfeiture or recovery from member benefit / refunds due to conviction of offence and issuing forfeiture certificate.	2013 regs LGPS 91 / 92 / 93 /95	Noted employer need to know these exist, but not detailed here.	
Decisions shared with the pension fund Extend time limit for option to transfer in from other pension schemes beyond 12 months	2013 regs LGPS 100	Consider reasons for delayed request - consider whether involves employer cost implications or future strain costs on fund Contact Pension Services	
Agree to bulk transfer payment	2013 regs LGPS 98		

Do you have employees who are paid fees?	There may be retained rights to have flexibility to use different pay periods		
Whether to base redundancy payments on an actual week's pay where this exceeds the statutory week's pay limit.	The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended) [SI 2006/2914]	Reg 5 of these regulations Needs to be part of employers the formal written policy	Usually not for admitted bodies – but can prepare statement.
To award lump sum compensation of up to 104 week's pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.	Ditto	Reg 6 Written policy - prepare with regard to use of public money. Who agrees criteria and process of award if used	Policy can apply also to non - pensionable employees or if leaving on redundancy etc without entitlement to pension payment i.e. under 55
If you have used compensation regulations in the past you need to be prepared to deal with questions of apportionment for survivors, abatement on re employment and of compensation benefit when re employment ceases	For these comp regs where pension is being paid with the funded pension, Pension Services will recharge the pension costs . Oxfordshire Pension Fund only acts as paying agent for these payments		
Policy documents in connection with Injury allowance following loss of earnings – loss of employment – reduction of pension following workplace injury / illness	The Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 [SI 2011/2954]	Discretionary policies each employing authority may apply in the exercise of its discretionary powers to make any award in respect of leavers, deaths and reductions in pay that occurred post 15 January 2012	



The main list found on www.lgpsregs.org under admin resources/ guides and sample documents. Discretions list contains a full listing – here picked main elements for active members and those left since 31.3.2014. However, many employers will have responsibility for discretionary polices for employees who left under previous regulations - the full listing applies, and employers need to be prepared to receive such applications.

Most likely to involve deferred pensioners and early release of pension, process for tier 3 ill health, injury scheme AND for powers to use anything other than actual pay for redundancy payments.

Also note the online full list will also show where Admin Authority have a discretion to exercise.