
Report To:	Policy and Resources Committee	Date:	11 August 2015
Report By:	Head of Organisational Development, Human Resources & Communications	Report No:	HR/10/15/SMcN
Contact Officer:	Steven McNab	Contact No:	Ext 2015
Subject:	Discretions Policy Statement, Local Government Pension Scheme 2015		

1.0 PURPOSE

1.1 The purpose of this report is to seek the approval of the Policy and Resources Committee for a revised discretions policy statement which has been updated taking account of the Local Government Pension Scheme (Scotland) Regulations 2014 and the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014.

2.0 SUMMARY

2.1 The Local Government Pension Scheme (LGPS) in Scotland was amended with effect from 1 April 2015 so that benefits accruing for service after 31 March 2015 would accrue on a Career Average Revalued Earnings (CARE) basis, rather than on a final salary basis.

2.2 The provisions of the CARE scheme, together with the protections for members' accrued pre 1 April 2015 final salary rights, are contained in the Local Government Pension Scheme (Scotland) Regulations 2014 and the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014.

2.3 As a result of the changes, Scheme employers participating in the LGPS in Scotland will have to formulate, publish and keep under review a Statement of Policy on certain discretions which they have the power to exercise in relation to members of the CARE Scheme. This Statement of Policy is also provided to Strathclyde Pension Fund.

2.4 These changes to pension regulations and the discretionary provisions available to employers do not impact on teaching staff. Accordingly the proposed policy statement attached as Appendix 1 excludes teachers and only relates to those employees whose pension provision is administered through Strathclyde Pension Fund Office.

3.0 RECOMMENDATIONS

3.1 It is recommended that the Policy and Resources Committee:

- a) agree the policy statement outlined at Appendix 1 attached, and;
- b) note that the policy statement will be kept under review and revised as and when necessary to reflect any changes in regulations or policy.

Steven McNab
Head of Organisational Development, Human Resources and Communications

4.0 BACKGROUND

- 4.1 The Policy and Resources Committee at its meeting on 15 December 2009 agreed a Pension and Retirement Policy which outlined the Council's position in relation to the various discretions applicable under the relevant regulations. This 2009 report reviewed a number of benefits which employers can offer employees and covered both teaching staff as well as other local government employees. Recent changes to the discretionary provisions available to employers do not impact on teaching staff therefore the proposals outlined in this report exclude teachers and only relate to those employees whose pension provisions are administered through Strathclyde Pension Fund Office.
- 4.2 The Local Government Pension Scheme (LGPS) in Scotland was amended with effect from 1 April 2015 so that benefits accruing for service after 31 March 2015 would accrue on a Career Average Revalued Earnings (CARE) basis, rather than on a final salary basis.
- 4.3 The provisions of the CARE scheme, together with the protections for members' accrued pre 1 April 2015 final salary rights, are contained in the Local Government Pension Scheme (Scotland) Regulations 2014 and the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014.
- 4.4 As a result of the changes, Scheme employers participating in the LGPS in Scotland have to formulate, publish and keep under review a Statement of Policy on certain discretions which they have the power to exercise in relation to members of the CARE Scheme.
- 4.5 Scheme employers are also required to (or where there is no requirement, are recommended to) formulate, publish and keep under review a Statement of Policy on certain other discretions they may exercise in relation to members of the LGPS.
- 4.6 Overall, Scheme employers participating in the LGPS in Scotland:
- i) are required to formulate, publish and keep under review a Statement of Policy on certain discretions in accordance with:
 - regulation 58 of the LGPS (Scotland) Regulations 2014
 - paragraph 2(2) of Schedule 2 to the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014
 - regulation 61 of the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 (in respect of leavers between 1 April 2009 and 31 March 2015), and
 - regulation 105 of the Local Government Pension Scheme (Scotland) Regulations 1998 (in respect of leavers between 1 April 1998 and 31 March 2009);
 - ii) are recommended to formulate, publish and keep under review a Statement of Policy on one discretion under the Local Government Superannuation (Scotland) 1987 (in respect of leavers before 1 April 1998); and
 - iii) are (other than admission bodies) required to formulate, publish and keep under review a Statement of Policy on certain discretions in accordance with regulation 51A of the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998, operative from 4 March 1998.

5.0 KEY CHANGES

- 5.1 There are 5 tables in the attached appendix which detail our discretions and our proposed policy position as follows:
- Table 1 details our discretions from 01 04 15 in relation to post 31 03 15 active members and post 31 03 15 leavers.
 - Table 2 details our discretions in relation to scheme members who ceased active

membership on or after 01 04 09 and before 01 04 15.

- Table 3 details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) in relation to pre 01 04 09 scheme leavers.
- Table 4 details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1987 (as amended) in relation to pre 01 04 98 scheme leavers.
- Table 5 details our discretions under the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 (as amended).

5.2 Although references to the relevant regulations have changed the majority of discretions are the same as previously approved by the Policy and Resources Committee on 15 December 2009. Any new discretions have been highlighted in the Appendix. It should be noted that these discretions will be applied in a fair and transparent manner, give value for money to the Council and secure service delivery without putting unnecessary financial strain on the Council.

5.3 Subject to approval of the attached policy the Council's Pension and Retirement Policy and Procedures will be updated and communicated to the workforce. A copy of our policy statement on the relevant discretions will also be provided to Strathclyde Pension Fund Office for their records.

6.0 PROPOSALS

6.1 It is proposed that the Policy and Resources Committee agree the policy statement outlined in Appendix 1 in relation to the discretions available to the Council and note that the policy will be kept under review and revised as and when necessary to reflect any changes in regulations or policy.

7.0 IMPLICATIONS

Finance

7.1 Financial Implications:

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

It is not envisaged that the proposals in this paper will result in additional costs to the Council. It is proposed that the majority of the discretionary areas which could have financial implications for the Council will not be exercised by the Council.

If the Council chooses to consider a discretionary enhancement, any financial impact would be assessed at the time of application. Early release incurring a financial cost to the Council would require to be supported by a business case which clearly demonstrates Value for Money (VFM).

In general any decisions in relation to these discretions will take account of the statutory framework of employment law, the relevant regulations, financial implications and any impact on the workforce, industrial relations and ultimately on service delivery. The Council will also strive to maintain public confidence by ensuring the application of discretions is open, transparent and cost effective.

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A					

Legal

7.2 As outlined in the report

Human Resources

7.3 As outlined in the report.

Application of discretions supports the Council to adjust its workforce profile to changing circumstances.

Equalities

7.4 Has an Equality Impact Assessment been carried out?

YES

NO - This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

Discretions available under the LGPS are determined by pension regulations, with employers determining whether or not to exercise specific discretions. A number of discretions are age specific and apply to those employees aged 55 (50 protected members) or over. This is not imposed by the Council but is a requirement of the regulations; nevertheless discretions that are age specific will give rise to an adverse impact on account of age. To mitigate this impact, discretions will be applied in a fair, consistent and transparent manner; however, it should be noted that pension schemes do have an explicit exemption in respect of the Equality Act 2010.

Repopulation

7.5 N/A.

8.0 CONSULTATIONS

8.1 Trade Unions have been consulted on the proposals contained in this report and are supportive of the proposals.

9.0 LIST OF BACKGROUND PAPERS

9.1 Appendix 1 – Policy Statement.



APPENDIX 1

Inverclyde Council Policy Statement LGPS 2015

Employer:	Inverclyde Council
Lead officer (for any questions):	Steven McNab, Head of Organisational Development, Human Resources & Communications
Contact details of lead officer:	01475 712015
Date of policy statement:	19 th June 2015
Date for review:	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.

We are aware of our obligations under:

- regulation 58 of SSI 2014 No.164, the LGPS (Scotland) Regulations 2014
- paragraph 2(2) of Schedule 2 to the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014
- regulation 61 of the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 (in respect of leavers between 1 April 2009 and 31 March 2015)
- regulation 105 of the Local Government Pension Scheme (Scotland) Regulations 1998 (in respect of leavers between 1 April 1998 and 31 March 2009)

In developing our policy statement, we are aware that the LGPC has produced a document called "Discretions Policies" that contains tips for employers, see:

<http://www.lgpsregs.org/index.php/scotland/admin-guides>

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

Table 1 details our discretions from 01 04 15 in relation to post 31 03 15 active members and post 31 03 15 leavers.

Table 2 details our discretions in relation to scheme members who ceased active membership on or after 01 04 09 and before 01 04 15.

Table 3 details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) in relation to pre 01 04 09 scheme leavers.

Table 4 details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1987 (as amended) in relation to pre 01 04 98 scheme leavers.

Table 5 details our discretions under the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 (as amended).

TABLE 1

The following table details our discretions from 01 04 15 in relation to post 31 03 15 active members and post 31 03 15 leavers, being discretions under:

- the Local Government Pension Scheme (Scotland) Regulations 2014 [prefix **R**]
- the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 [prefix **TP**]
- the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 [prefix **A**]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 (as amended) [prefix **B**]
- the Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008 [prefix **T**]
- the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) [prefix **L**]

Regulation	Discretion	Employer's policy on the exercise of this discretion
R3(1)(b)	Decide which employees to nominate for membership (admission bodies)	Not applicable to Inverclyde Council as a Scheduled Body. The Council has nominated Inverclyde Leisure and Riverside Inverclyde for admitted body status of LGPS. There may be a need in future to consider other employee groups. This will be considered on a case by case basis by the Council. (No Change)
RSch 2, Part 2, para 12(c)	Whether, in respect of an admission body providing a service in respect of outsourced work, to set off against payments due to that body any sums due from that body to the Fund	Inverclyde Council will consider each case on an individual basis. (New)
R9(1) to R9(4)	Determine the rate of employee's contributions	The employee's rate of contributions will be determined in accordance with these regulations. (No Change)
R9(10)	Determine intervals at which employees' contributions are to be made	The frequency of employee contributions will be determined by the relevant pay cycle.

		(No Change)
R16(2)(e)* & R16(4)(d)*	Whether, how much, and in what circumstances to contribute to a shared cost APC scheme	Inverclyde Council has elected not to set up additional shared contribution scheme. Employees already have access to AVC's (currently Prudential) which accepts member only contributions. (No Change)
R16(16)	Whether to extend 30 day deadline for member to elect for a shared cost APC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, child-related leave or reserve force service leave)	Not applicable – member only contribution scheme. (No Change)
R17(1) & definition of SCAVC in RSch 1	Whether, and in what circumstances to contribute to a shared cost AVC scheme.	Scheme members have access to AVC arrangement on a member-only contribution basis. Therefore we will not exercise this discretion on the basis of cost. (No Change)
TP15(1)(b) & L65(8) & former L65(9)(b)	Allow late application to convert scheme AVCs into membership credit i.e. allow application more than 30 days after cessation of active membership (where AVC arrangement was entered into before 30/6/05)	Inverclyde Council will not exercise this discretion. (No Change)
R19(2)	No right to a return of contributions due to an offence of a fraudulent character or grave misconduct unless the employer directs a total or partial refund is to be made	Inverclyde Council will not normally direct a return of contributions in the event of an offence of a fraudulent character or grave misconduct. (No Change)
R20(1)(b)	Specify in an employee's contract what other payments or benefits, other than those specified in R20(1)(a) and not otherwise precluded by R20(2), are to be pensionable	Elements of pay received by an employee other than those specified in these regulations and not otherwise precluded will only be pensionable if specified as such in the employee's contract of employment. (No Change)

R21(5)	In determining Assumed Pensionable Pay, whether a lump sum payment made in the previous 12 months is a “regular lump sum”	Inverclyde Council will consider each individual case on its own merits, taking into consideration whether there is a reasonable expectation that such a payment would have been made on a regular basis, had absence or some other exceptional circumstances, not occurred. (New)
R29(5) & (13)	Whether to grant application for early payment of benefits on or after age 55 and before age 60	May be approved where there is no cost to the Council or foreseeable recruitment and/or retention issues with the remaining post. Individual cases will be considered by the Head of Organisational Development, Human Resources & Communications, Chief Financial Officer, and Corporate Director. Final approval from CMT and Policy and Resources Committee. (No Change)
R29(6)* & TP11(2)	Whether all or some benefits can be paid if an employee reduces their hours or grade prior to age 60 (flexible retirement)	Consideration will be given to any requests from employees aged at least 55 for flexible retirement, subject to cost, Council needs, etc. There must be a reduction to the grade and/or hours that the employee currently undertakes. The reduction in hours/salary should normally be at least 20% but no more than 50%. (No Change)
R29(8)* and TPSch 2, para 2(1)	Whether to waive, in whole or in part, any actuarial reduction on benefits paid on flexible retirement.	If flexible retirement is agreed, waiving of any reduction in benefits, in full or part will not normally be approved as it incurs a cost to the Council, unless there is a demonstration of value for money which would need to be considered and approved by CMT and P&R Committee. (No Change)
R29(8)*	Whether to waive, in whole or in part, actuarial reduction on	In extreme exceptional circumstances (i.e. on

	benefits which a member voluntarily draws before normal pension age, other than on the grounds of flexible retirement (where the member only has post 31/3/15 membership)	compassionate grounds) the Council may decide to approve early payment of an employee's pension and lump sum without it being actuarially reduced. There must be a demonstration of 'value for money' for the release to be approved. Head of Organisational Development, Human Resources & Communications, Chief Financial Officer, and Corporate Director. Final approval from CMT and Policy and Resources Committee. (No Change)
TPSch 2, paras 1(2) and 2(1)*	Whether to apply the 85 year rule for a member voluntarily drawing benefits, with employer consent, on or after age 55 and before age 60 (other than on the grounds of flexible retirement).	Inverclyde Council may exercise this discretion. This discretion would be subject to the Council's VFM criteria and approval by CMT and Policy & Resources Committee. (New)
TP3(1), TPSch 2, para 2(1) *	Whether to waive, in whole or in part, any actuarial reduction on pre and post April 2015 benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1/4/15 and post 31/3/15 membership and is subject to the 85 year rule)	Inverclyde Council may exercise this discretion. This discretion would be subject to the Council's VFM criteria and approval by CMT and Policy & Resources Committee. (New)
TP3(1), TPSch 2, para 2(1) and B30(5)*	Whether to waive on compassionate grounds any actuarial reduction on pre April 2015 benefits and to waive, in whole or in part, any actuarial reduction on post April 2015 benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1/4/15 and post 31/3/15 membership and is not subject to the 85 year rule)	In extreme exceptional circumstances (i.e. on compassionate grounds) Inverclyde Council may decide to approve early payment of an employee's pension and lump sum without it being actuarially reduced. There must be a demonstration of "value for money" for the release to be approved by CMT and P&R Committee. (No Change)
R30*	Whether to grant additional pension to an active member or within 6 months of ceasing to be	Inverclyde Council has chosen not to exercise this discretion.

	an active member by reason of redundancy or business efficiency (by up to £5,000 p.a.)	(No Change)
TP12(4)	Whether to use a certificate produced by an IRMP under the 2009 Scheme for the purposes of making an ill health determination under the 2015 Scheme.	Inverclyde Council will exercise this discretion. (No Change)
R89(1) & (8) R89(4)	Whether to apply to Scottish Ministers for a forfeiture certificate (where a member is convicted of a relevant offence) and subsequently whether to direct that benefits are to be forfeited (other than rights to GMP – but see R92 below)	Inverclyde Council will apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited. (No Change)
R90(2)	Whether to recover from the fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs / SCAVCs) where the obligation was as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left the employment.	The Council may recover from pension benefits any loss arising from criminal, negligent or fraudulent act by a former employee, provided that all other efforts to recover monetary obligations have been exhausted, in the interests of maintaining confidence in the public service. Approval required by Head of OD, HR & Communications. (No Change)
R92	Whether, if the member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts, forfeiture under R89 or recovery of a monetary obligation under R90 should deprive the member or the member's surviving spouse or civil partner of any GMP entitlement	Inverclyde Council will normally apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited. (No Change)
R96(1)(b)	Agree to bulk transfer payment	Inverclyde Council will consult with SPFO and the fund actuaries in this regard. (No Change)
R98(6)	Extend normal time limit for acceptance of a transfer value beyond the 12 month time limit from joining the LGPS	Inverclyde Council will not generally extend the normal time limit for acceptance of a transfer value beyond 12 months from joining the scheme but may do so where exceptional circumstances (i.e.

		<p>long term sickness) can be proved. An extension of no more than 3 months from the employee's return from sickness absence will be granted, subject to that period not exceeding 2 years from date of entry to scheme. Approval required by Head of Organisational Development, Human Resources & Communications.</p> <p>(No Change)</p>
<p>TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & B11(2)</p>	<p>Whether to allow a member to select final pay period for fees to be any 3 consecutive years ending in the 10 years prior to leaving and ending on the anniversary of the date of leaving</p>	<p>Inverclyde Council will allow a member to select final pay for fees to be any three consecutive years ending 31st March in the 10 years prior to leaving. Inverclyde Council agree that this will automatically be done by SPFO.</p> <p>(No Change)</p>
<p>TP3(1)(a), A43(5)</p>	<p>Issue a certificate of protection of pension benefits where eligible non-councillor member fails to apply for one (pay cuts / restrictions occurring pre 01 04 15)</p>	<p>Inverclyde Council will issue a certificate of protection of pension benefits within twelve months of the date of reduction.</p> <p>(No Change)</p>

TABLE 2

The following table details our discretions in relation to scheme members who ceased active membership on or after 01 04 09 and before 01 04 15, being discretions under:

- the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 [prefix **A**]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 (as amended) [prefix **B**]
- the Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008 [prefix **T**]
- the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 [prefix **TP**]
- the Local Government Pension Scheme (Scotland) Regulations 2014 [prefix **R**]
- the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) [prefix **L**]

Regulation	Discretion	Employer's Policy on the exercise of this discretion
B12*	Whether, for a member leaving on the grounds of redundancy or business efficiency on or before 31 st March 2015, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving. Hence this discretion is spent entirely after 30 th September 2015	Inverclyde Council has chosen not to apply this discretion. (No Change)
A42(2)	No right to a return of contributions due to an offence of a fraudulent character or grave misconduct unless the employer directs a total or partial refund is to be made	Inverclyde Council will not normally direct a return of contributions in the event of an offence of a fraudulent character or grave misconduct. (No Change)
A43(5)	Employer may issue a certificate of protection where an employee fails to apply for one.	Inverclyde Council will issue a certificate of protection of pension benefits automatically and within twelve months of the date of reduction. (No Change)
A45 (1) & (2)	Whether Contribution Equivalent Premium (CEP) in excess of the Certified Amount (CA) recovered from a refund of contributions can be recovered from the Pension Fund	Inverclyde Council will consider each case on its own merits. (New)
A66 (2) & (6) A67 (1) & (2)	Whether to apply for a forfeiture certificate (where a member is convicted of a relevant offence)	Inverclyde Council will apply for a forfeiture certificate where a member is convicted of a

	and subsequently whether to direct that benefits are to be forfeited.	relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited. (New)
A68(2)	Whether to recover from the fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs / SCAVCs) where the obligation was as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left the employment.	The Council may recover from pension benefits any loss arising from criminal, negligent or fraudulent act by a former employee, provided that all other efforts to recover monetary obligations have been exhausted, in the interests of maintaining confidence in the public service. Approval required by Head of OD, HR & Communications. (No Change)
A70(2) & (3)	Whether to recover from the fund any financial loss caused by fraudulent offence or grave misconduct of an employee(who has left because of that) or amount of refund if less	Inverclyde Council will recover from Strathclyde Pension Fund the amount of loss caused by fraudulent offence or grave misconduct of employee (who has left because of that), or the amount of refund if less. Approval required by Head of OD, HR & Communications. (No Change)
B11(2)	Whether to allow a member to select a final pay period for fees to be any three consecutive years ending with 31 st March in the 10 years prior to leaving.	Inverclyde Council will allow a member to select final pay for fees to be any three consecutive years ending 31 st March in the 10 years prior to leaving. Inverclyde Council agree that this will automatically be done by SPFO. (No Change)
B30(2)*	Whether to grant application for early payment of benefits on or after age 50/55 and before age 60	Inverclyde Council will not have a general policy of granting early payment of benefits on or after age 50/55 and before age 60 but will consider requests on a case by case basis where there is no cost to the Council or there are foreseeable recruitment and/or retention issues with the remaining post. Final approval

		by the CMT and P&R Committee is required. (No Change)
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TABLE 3

The following table details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) in relation to pre 01 04 09 scheme leavers.

Regulation	Discretion	Employer's policy on the exercise of this discretion
30(2)*	Grant application from a post 31 03 98 / pre 01 04 09 leaver for early payment of benefits on or after age 50 and before age 60	Inverclyde Council will not have a general policy of granting early payment of benefits on or after age 50/55 and before age 60 but will consider requests on a case by case basis where there is no cost to the Council or there are foreseeable recruitment and/or retention issues with the remaining post. Final approval by the CMT and P&R Committee is required. (No Change)
30 (5)*	Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early for a post 31 03 98 / pre 01 04 09 leaver	In extreme exceptional circumstances (i.e. on compassionate grounds) the Council may decide to approve early payment of an employee's pension and lump sum without it being actuarially reduced. There must be a demonstration of 'value for money' for the release to be approved. (No Change)
30 (7A)*	Pre 01 04 09 optants out only to get benefits paid from NRD if employer agrees	Inverclyde Council will not have a general policy to exercise this discretion but may do so. The Chief Executive, in consultation with Head of OD, HR and Communications, may consider this discretion on a case by case basis. (No Change)
33 (1)(b)	Decide, in the absence from a	Inverclyde Council will not

	post 31 03 98 / pre 01 04 09 leaver of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership	exercise this discretion. (No Change)
70(7)(a)	Consent to a member's former employer assigning to the new employer rights under any SCAVC life assurance policy	Inverclyde Council will not exercise this discretion. (New)
87 (2)	No right to return of contributions due to offence of a fraudulent character unless employer directs a total or partial refund is to be made (pre 01 04 09 leavers)	Inverclyde Council will not normally direct a return of contributions in the event of an offence of a fraudulent character or grave misconduct. (No Change)
91	Contribution Equivalent Premium (CEP) in excess of the Certified Amount (CA) recovered from a refund of contributions can be recovered from the Pension Fund (pre 01 04 09 leavers)	Inverclyde Council will consider each case on its own merits. (New)
111(2) &(5) 112(1)	Forfeiture of pension rights on issue of Secretary of State's certificate (pre 01 04 09 leavers) Where forfeiture certificate is issued, direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits (pre 01 04 09 leavers)	Inverclyde Council will apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited (No Change)
113(2)	Recovery from Fund of monetary obligation owed by former employee or, if less, the value of the member's benefits (other than transferred in pension rights) (pre 01 04 09 leavers)	Inverclyde Council will seek recovery from Strathclyde Pension Fund where other internal avenues have been exhausted. (New)
115(2) & (3)	Recovery from Fund of financial loss caused by employee, or amount of refund if less (pre 01 04 09 leavers)	Inverclyde Council will seek recovery from Strathclyde Pension Fund where other internal avenues have been exhausted. (New)

TABLE 4

The following table details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1987 (as amended) in relation to pre 01 04 98 scheme leavers.

Regulation	Discretion	Employer's policy on the exercise of this discretion
E2(6)(b)	Grant application from a pre 01 04 98 leaver for early payment of benefits on or after age 50 and before age 60	Inverclyde Council will not have a general policy of granting early payment of benefits on or after age 50/55 and before age 60 but will consider requests on a case by case basis where there is no cost to the Council. (No Change)

TABLE 5

The following table details our discretions under the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 (as amended)

D 4 (1)	Power to increase statutory redundancy payments above statutory weekly pay limit	A week's redundancy pay will be calculated as being the actual pensionable weekly pay received by the employee at the time of the calculation. (No Change)
D 8(1)	Decision on whether to award compensatory added years to an individual on retirement on efficiency / redundancy Grounds	The Council will have the discretion to award up to 3 added years which will be dependent on circumstances and a demonstration of 'value for money'. Application will be applied in line with the Council's Severance Policy and Procedures. (No Change)
D 35	Decision to award up to 104 weeks compensation instead of compensatory added years	The Council will have the discretion to apply up to 66 weeks which will be dependent on circumstances and a demonstration of 'value for money'. Application will be applied in line with the Council's Severance Policy and Procedures. (No Change)

Re-employment of individuals who have left the Council through early retirement/voluntary severance.

Statement

The Council has a responsibility to exercise discretion in a fair, consistent, manner and act in the best interests of the organisation, the community and the pension fund. Where an individual leaves the employment of the Council through early retirement/voluntary severance the individual will be unable to seek re-employment with the Council at a future date.

Recommended outcome

The Accounts Commission report on “Managing Early Departures from the Scottish Public Sector” supported consideration of restrictions on re-employment of staff who have accepted enhanced packages at a cost to the Council. Current arrangements provide for a 6 month restriction preventing re-employment within the Council. In order to realign our practice with that of neighboring Councils and mindful of the aforementioned report, the recommendation is that re-employment of such former employees would be in exceptional circumstances only.