

Devon and Severn Inshore Fisheries and Conservation Authority (D&SIFCA): Local Government Pension Scheme

1. Introduction

Organisations have always had discretion in applying some aspects of the Local Government Pension Scheme (LGPS), and there has been in place for some time local policy in these areas. It is a requirement for each organisation to make a written statement of its local discretionary policy. This document sets out below the discretions to be applied within Devon and Severn Inshore Fisheries and Conservation Authority (D&S IFCA).

D&S IFCA may revise the policies at any time.

2. Scope

These discretions apply to current employees of D&S IFCA who are active members of the 2014 Local Government Pensions Scheme and, where indicated, to current and previous employees of D&S IFCA with deferred benefits from the 2014, or earlier, schemes.

3. Discretion for, or contribute towards, an active member's Additional Pension Contract

- 3.1 D&S IFCA has discretion in exceptional circumstances, where there is a clear business case, to contribute towards a Shared Cost Additional Pension Contract. This includes, but is not limited to, employees under notice of Redundancy.
- 3.2 The maximum additional pension that can be purchased will be that specified in the regulations, which will be increased each April under Pensions Increase Orders.

4. Discretion to pay for, contribute towards, an active member's Additional Voluntary Contribution

- 4.1 D&S IFCA has exercised its discretion to allow contributions towards a Shared Cost Additional Voluntary Contribution as part of D&S IFCA's Salary Sacrifice Scheme.
- 4.2 The contribution made by D&S IFCA will be the amount of salary sacrificed for this purpose under the Salary Sacrifice agreement between the employee and D&S IFCA.

5. Discretion to permit flexible retirement

- 5.1 D&S IFCA's policy enables an employee who is an active member of the scheme, aged 55 or more, to reduce his/her hours or grade, and receive part or full payment of pension benefits, provided the business case supports the application.
- 5.2 If the employee would suffer an actuarial reduction in the pension and lump sum due to the early payment, D&S IFCA may, in exceptional circumstances, waive all or part of the reduction, where it is satisfied there is a clear business benefit.

6. Discretion of employer to award additional pension

- 6.1 In exceptional circumstances, where there is a clear business case, D&S IFCA may award additional pension for an active member.
- 6.2 The maximum additional pension that can be purchased will be that specified in the regulations, which will be increased each April under Pensions Increase Orders.

7. Discretions on early payment of pension

7.1 Current employees with '85 year rule' protection who have been active members of the 2014 scheme

- 7.1.1 A current employee who is, or has been, an active member of the 2014 scheme, can apply for early payment of their retirement benefits without D&S IFCA's consent, on leaving employment aged 55 and over. However, if they are aged between 55 and 59, they will not automatically retain any protection under the '85 year rule'.
- 7.1.2 D&S IFCA will only agree to apply the '85 year rule' for current employees (whether active or deferred pension scheme members) in exceptional circumstances, where it is satisfied that there is a business case.

7.2 Former employees with deferred benefits who left the Scheme on or After 1 April 2014 with '85 year rule' protection

- 7.2.1 A previous employee aged between 55 and 59, with deferred benefits in the 2014 Scheme, can apply for early payment of their retirement benefits without D&S IFCA's consent, but will not automatically retain protection under the '85 year rule'.
- 7.2.2 D&S IFCA has discretion to apply the '85 year rule' but will only do so on compassionate grounds in exceptional cases.

7.3 Current or former employees with deferred benefits who left the Scheme before 1st April 2014

- 7.3.1 D&S IFCA will consider applications from former employees aged 55 to 59, holding deferred benefits prior to 1st April 2014, and may agree to their release on compassionate grounds.
- 7.3.2 D&S IFCA will consider applications from current employees who are leaving employment aged 55 to 59, who hold deferred benefits prior to 1st April 2014, and may agree to their release in exceptional circumstances on compassionate grounds or where there is a business benefit.
- 7.3.3 Before 1st April 2008, Scheme leavers may apply from age 50. However, benefits paid on or after age 50, but before age 55, are subject to charges by HMRC under the Finance Act 2006 (the payments are regarded as 'unauthorised'). Therefore D&S IFCA will only agree to such a release on compassionate grounds in exceptional circumstances.

7.4 Reinstate suspended tier 3 ill health pensions

- 7.4.1 D&S IFCA will consider applications from former employees for reinstatement of suspended tier 3 ill health pensions from the 2008 Scheme, and may agree to their release on compassionate grounds.

7.5 Discretion to waive actuarial reduction

- 7.5.1 D&S IFCA will only waive any actuarial reductions (in full or in part) due to the early release of pension benefits in exceptional circumstances on compassionate grounds, or where there is a business case.

8. Aggregating LGPS benefits

- 8.1 For an employee re-joining the LGPS on or after 1st April 2014, any deferred benefits will normally be automatically joined with their new active pension account. If they want to retain separate deferred benefits then they must make an election within 12 months of re-joining the Scheme. Any request to retain separate deferred benefits after the 12 months limit will be declined by D&S IFCA, unless there were exceptional circumstances preventing a request within the time limit.
- 8.2 For an employee who re-joined the LGPS on or after 1st April 2014, any request to aggregate more than 12 months after joining will be declined by D&S IFCA unless there were exceptional circumstances preventing a request within the time limit.

9. Discretion to permit transfer of other pension rights into the Scheme

- 9.1 A request to transfer pension rights from another pension scheme into the LGPS must be made within 12 months of joining the LGPS. Any request to transfer pension rights after the 12 months limit will be declined by D&S IFCA, unless there were exceptional circumstances preventing a request within the time limit.

10. Other discretions

- 10.1 Where it is not mandatory to publish a policy and the discretion is not covered above then D&S IFCA will consider each case on its own merits.

11. Appeals

- 11.1 Where an employee, or former employee, disagrees with a decision of D&S IFCA in relation to the Local Government Pension Scheme, and it cannot be resolved informally (or through an appeal as set out in any relevant policy), there is an Independent Dispute Resolution Procedure (IDRP). Contact Peninsula Pensions for details.

19th June 2025

Note:

Draft presented to Authority Members at the Authority meeting, held on 19th June 2025.