

Review & Approval of the Authority's Local Government Pension Scheme Discretionary Policy

Officers' Recommendation

That the Authority approves the amendments set out in D&S IFCA's reviewed Local Government Pension Scheme Discretionary Policy

Background

D&S IFCA participates in the Local Government Pension Scheme (LGPS). Organisations have always had discretion in applying some aspects of the LGPS, and they must formulate and publish a 'statement of policy' regarding the discretions. D&S IFCA can revise its Policy at any time.

D&S IFCA's current Discretionary Policy was adopted in April 2016. The Policy followed closely Devon County Council's (DCC) approach to the matter. No formal amendments to D&S IFCA's Policy have been made since 2016.

Officers are aware of a more recent, 2018, edition of D&S IFCA's Discretionary Policy that includes an additional paragraph relating to waiving actuarial reductions if an employee chooses to make a withdrawal from their pension.

D&S IFCA also have the power to waive, in whole or in part, the actuarial reduction applied to active members' benefits when a member chooses to voluntarily draw benefits on or after age 55 before age 60 and on or after age 60 and before Normal Pension Age (NPA).

There is no evidence, D&S IFCA meeting papers or Agendas, to indicate that the change in the Discretionary Policy was considered by Members. Any changes to D&S IFCA's Discretionary Policy must be sent to the administrators of the LGPS. The Administrator has confirmed that the most recent Policy was the 2016 version.

The above discretion does not appear in DCC's Discretionary Policy.

Discretionary Policy

DCC's Discretionary Policy was last updated on 13th March 2023. DCC's current policy notes the changes that have been made since 2012. The most significant change to the DCC policy was in 2017 with the introduction of a new section to allow DCC to contribute to a Shared Cost Additional Voluntary Contribution Scheme (SCAVC) under a salary sacrifice arrangement.

Recommendation

Officers recommend that the Authority's LGPS Discretionary policy is updated to include a new section (4) to reflect DCC's SCAVC scheme as set out in Annex B to this paper.

Officers recommend that the above discretion is not included in D&S IFCA's Discretionary Policy.

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers

- Financial Probity and Financial Administrative Regulations (May 2024 – v1.5)
- Papers for Authority meeting 16th June 2016.