

Discretions Policy for: University of Hull

Date:

This policy confers no contractual rights. University of Hull retains the right to change the policies at any time without prior notice or consultation. The policy in force at the time a relevant event occurs will be the one that is applied.

Discretions from 1.4.14. in relation to post 31.3.14. active members (excluding councillor members) and post 31.3.14. leavers (excluding councillor members)

R = Local Government Pension Scheme (LGPS) Regulations 2013 (SI 2013/2356)

TP = LGPS (Transitional Provisions, Savings and Amendments) Regulations 2014

A = LGPS (Administration) Regulations 2008 (SI 2008/239)

B = LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended) (SI 2007/1166)

L = LGPS Regulations 1997 (as amended) (SI 1997/1612)

Area	Discretion	Regulation	Exercised by	Key	Policy
Granting additional pension	Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a - figure at 1 April 2014. This is inflation proofed annually)	R31	Employer	Mandatory	University of Hull will not grant additional pension to a member
Shared cost Additional Pension Contributions (to buy additional pension)	Whether, how much and in what circumstances to contribute to a shared cost Additional Pension Contributions (APC) scheme A member can buy additional pension through an APC contract. The discretion is whether the employer will share the cost of the APC	R16(2)(e) & R16(4)(d)	Employer	Mandatory	University of Hull will contribute to Shared Cost APC Schemes only when an employee has opted to buy back 'lost' pension due to a period of authorised unpaid leave (including sickness and child related leave) within 30 days of returning to work from that leave. In these circumstances, the employee will pay one third of the cost of the Shared Cost APC and the employer will pay two thirds of the cost
Flexible retirement	Whether all or some benefits can be paid if an active member aged 55 or over and with at least 2 years qualifying service reduces their hours or grade (flexible retirement)	R30(6) & TP11(2)	Employer	Mandatory	University of Hull will consider applications for early/flexible retirement
	Whether to waive, in whole or in part, actuarial reduction to benefits paid on flexible retirement	R30(8)	Employer (or Admin. Authority where Employer has become defunct)	Mandatory	University of Hull will not waive, in whole or in part, actuarial reduction to benefits paid on flexible retirement
85 Year Rule	Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (other than on the grounds of flexible retirement).	TPSch 2, para, 1(2) & 1(1)(c)	Employer (or Admin. Authority where Employer has become defunct)	Mandatory	University of Hull will not switch on the 85 Year Rule for any employee voluntarily drawing benefits on or after age 55 and before age 60
Waive Reduction	Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1/4/14 and post 31/3/14 membership) a) on compassionate grounds (pre 1/4/14 membership) and / or, in whole or in part on any grounds (post 31/3/14 membership) if the member was not in the Scheme before 1/10/06, b) on compassionate grounds (pre 1/4/14 membership) and / or, in whole or in part on any grounds (post 31/3/14 membership) if the member was in the Scheme before 1/10/06, will not be 60 by 31/3/16 and will not attain 60 between 1/4/16 and 31/3/20 inclusive c) on compassionate grounds (pre 1/4/16 membership) and / or, in whole or in part on any grounds (post 31/3/16 membership) if the member was in the Scheme before 1/10/06 and will be 60 by 31/3/16 d) on compassionate grounds (pre 1/4/20 membership) and / or, in whole or in part on any grounds (post 31/3/20 membership) if the member was in the Scheme before 1/10/06, will not be 60 by 31/3/16 and will attain 60 between 1/4/16 and 31/3/20 inclusive	TP3(1), TPsch 2, para 2(1) & B30(5) & B30A(5)	Employer (or Admin. Authority where Employer has become defunct)	Mandatory	University of Hull will not waive any actuarial reduction in any instance.
	Whether to waive, in whole or in part, actuarial reduction 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 31/3/14 membership)	R30(8)	Employer (or Admin. Authority where Employer has become defunct)	Mandatory	University of Hull will not waive any actuarial reduction on benefits paid which a member voluntarily draws before normal pension age
Shared cost Additional Pension Contributions (to buy lost pension following a period of authorised unpaid absence)	If a member has an authorised unpaid absence (not including illness or injury, relevant child-related leave or reserve forces service leave) and within 30 days of returning to work they elect to buy back the lost pension, the employer must share the cost (2/3rds) The discretion is whether to extend the 30 day deadline for a member to elect for a shared cost APC	R16(16)	Employer	Recommended	University of Hull will not extend the deadline beyond the standard 30 days
Transferring in non LGPS pension rights	Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	R100(6)	Employer and Admin. Authority	Recommended	University of Hull will not extend the deadline beyond the standard 12 months

Transferring in LGPS pension rights (only for pre 1.4.14 re-joiners)	Whether to extend the 12 month option period for aggregation of deferred benefits Care: This must match your existing discretion under the 2008 Scheme.	A16(4)(b)(ii)	Employer	Recommended	University of Hull will not extend the deadline beyond the standard 12 months
Transferring in LGPS pension rights (only for post 1.4.14 re-joiners)	Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment	R22(8)(b)	Employer	Recommended	University of Hull will only extend the 12 month period for aggregation in exceptional circumstances
	Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with an ongoing concurrent employment	R22(7)(b)	Employer	Recommended	University of Hull will only extend the 12 month period for aggregation in exceptional circumstances
Transferring in LGPS pension rights (ie. final salary benefits which will buy CARE pension only for post 1.4.14 re-joiners)	Whether to extend the 12 month option period for a member (who did not become a member of the 2014 Scheme by virtue of TP5 (1)) to elect that pre 1 April 2014 deferred benefit should be aggregated with a new employment	TP10 (6)	Employer	Recommended	University of Hull will not extend the deadline beyond the standard 12 months
Employee contribution rate	Employers to assess the relevant contribution band to determine the rate of employee contribution. Banded contribution rates for employees are based on actual pensionable pay received and not whole time equivalent salary. Employers to allocate appropriate band at each 1 April and determine other circumstances in which the banding will be reviewed.	R9(1) & R9(3)	Employer	Recommended	University of Hull will allocate the appropriate band for all members based on a rolling 12 month period. This could result in mid year rate fluctuations due to additional hours or allowances being paid
Assumed Pensionable Pay (APP)	In determining APP, whether a lump sum payment made in the previous 12 months is a "regular lump sum"	R21(5)	Employer	Recommended	University of Hull would include lump sum payments in the calculation of APP where there is evidence that the lump sums were regularly received
	Where in the employer's opinion, the pensionable pay received in relation to an employment (adjusted to reflect any lump sum payments if appropriate) in the 3 months (or 12 weeks if not paid monthly) before the start of APP, is materially lower than the level of pensionable pay the member would have normally received The discretion is whether to substitute a higher level of pensionable pay by taking into account the pensionable pay received by the member in the previous 12 months	R21(5A) & R21(5B)	Employer	Recommended	University of Hull will allow the substitution of a higher level of pensionable pay assessed over the previous 12 month period.
Late conversion of AVCs to service	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 13/11/01)	TP15(2A)(b) & L66(8) & former L66(9)(b)	Employer	Less Common	
Shared cost AVCs	Whether, how much, and in what circumstances to contribute to shared cost AVC arrangements	R17(1) & definition of SCAVC in RSch 1	Employer	Less Common	
Refund of contributions - member left due to an offence/grave misconduct	No right to return of contributions where a member left their employment due to offence of a fraudulent character or grave misconduct in connection with that employment unless employer directs a total or partial refund is to be made	R19(2)	Employer	Less Common	
Pensionable payments	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	R20(1)(b)	Employer	Less Common	
T3 Ill health review	Determine whether person in receipt of Tier 3 ill health pension has started gainful employment	R37(3) & (4)	Employer	Less Common	
T3 Ill health review overpayments	Whether to recover any overpaid Tier 3 pension following commencement of gainful employment	R37(3)	Employer	Less Common	
Deferred member - Ill health	Decide whether deferred beneficiary meets criteria of being permanently incapable of former job because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years, whichever is the sooner	R38(3)	Employer (or Admin. Authority where Employer has become defunct)	Less Common	
T3 Ill health recommencement	Decide whether a suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health	R38(6)	Employer (or Admin. Authority where Employer has become defunct)	Less Common	
Forfeiture certificate	Whether to apply to Secretary of State for a forfeiture certificate where member is convicted of a relevant offence (a relevant offence is an offence committed in connection with an employment in which the person convicted is a member, and because of which the member left the employment)	R91(1) & (8)	Employer	Less Common	
	Where forfeiture certificate is issued, whether to direct that benefits are to be forfeited (other than rights to GMP – but see R95 below)	R91(4)	Employer	Less Common	
	Where forfeiture certificate is issued, whether to direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits	R92(1) & (2)	Employer	Less Common	

Recovery of monetary obligation	Whether to recover from the Fund any monetary obligation or, if less, the value of the member's benefits (other than benefits from transferred in pension rights or APCs or AVCs or, subject to R95 below, in respect of any GMP) where the obligation was incurred as a result of a grave misconduct or a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment	R93(2)	Employer	Less Common	
GMP forfeiture	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 R91 or recovery of a monetary obligation under R93 should deprive the member or the member's surviving spouse or civil partner of any GMP entitlement	R95	Employer	Less Common	
Bulk transfer	Agree to bulk transfer payment Whether to agree to bulk transfer payment where two or more members' active membership ends on their joining a registered non local government pension scheme	R98(1)(b)	Employer / Admin. Authority / trustees of new scheme	Less Common	
Final pay period (fees)	Whether to allow a member to select final pay period for fees to be any 3 consecutive years ending 31st March in the 10 years prior to leaving	TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & B11(2)	Employer	Less Common	
Admission bodies only	Which employees to designate for membership (admission bodies).	R2(1C),R3(1)(b) & R4(2)(b)	Employer	Recommended	

Discretions in relation to scheme members (excluding councillor members) who ceased active membership on or after 1.4.08 and before 1.4.14

A = LGPS (Administration) Regulations 2008

B = LGPS (Benefits, Memberships and Contributions) Regulations 2007

T = LGPS (Transitional Provisions) Regulations 2008 (SI 2008/238)

Area	Discretion	Regulation	Exercised by	Key	Policy
85 Year Rule	Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60	TPSch 2, para, 1(2) & 1(1)(c)	Employer (or Admin. Authority where Employer has become defunct)	Mandatory	University of Hull will not switch on the 85 Year Rule for any deferred member voluntarily drawing benefits on or after age 55 and before age 60
	Whether to "switch on" the 85 year rule for a pensioner member with deferred benefits (i.e. a suspended tier 3 ill health pensioner) voluntarily drawing benefits on or after age 55 and before age 60,	TPSch 2, para, 1(2) & 1(1)(c)	Employer (or Admin. Authority where Employer has become defunct)	Mandatory	University of Hull will not switch on the 85 Year Rule for any deferred member voluntarily drawing benefits on or after age 55 and before age 60
Waive reduction	Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 (member)	B30(5), TPsch 2, para 2(1)	Employer (or Admin. Authority where Employer has become defunct)	Mandatory	University of Hull will not waive any actuarial reduction in any instance.
Waive reduction	Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A (pensioner member with deferred benefits, i.e. a suspended tier 3 ill health pensioner)	B30A(5), TPsch 2, para 2(1)	Employer (or Admin. Authority where Employer has become defunct)	Mandatory	University of Hull will not waive any actuarial reduction in any instance.
Late conversion of AVCs to service	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 13/11/01)	TSch1 & L66(8) & former L66(9)(b)	Employer	Less Common	
Refund of contributions - member left due to an offence/grave misconduct	No right to return of contributions where member left employment due to offence of a fraudulent character or grave misconduct in connection with that employment, unless employer directs a total or partial refund is to be made	A47(2)	Employer	Less Common	
Forfeiture certificate	Whether to apply to Secretary of State for a forfeiture certificate where member is convicted of a relevant offence (a relevant offence is an offence committed in connection with an employment in which the person convicted is a member, and because of which the member left th employment)	A72(1) & (6)	Employer	Less Common	
	Where forfeiture certificate is issued, whether to direct that benefits are to be forfeited	A72(3)	Employer	Less Common	
	Where forfeiture certificate is issued, whether to direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits	A73(1) & (2)	Employer	Less Common	
Recovery of monetary obligation	Whether to recover from 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 incurred 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 employment	A74(2)	Employer	Less Common	
	Whether to recover from Fund any financial loss caused by fraudulent offence or grave misconduct of employee (who has left employment because of that fraudulent offence or grave misconduct), or amount of refund if less	A76(2) & (3)	Employer	Less Common	
Deferred member - ill health	Decide whether deferred beneficiary meets permanent ill health and reduced likelihood of gainful employment criteria	B31(4)	Employer (or Admin. Authority where Employer has become defunct)	Less Common	

T3 Ill health recommencement	Decide whether a suspended ill health tier 3 member is permanently incapable of undertaking any gainful employment	B31(7)	Employer (or Admin. Authority where Employer has become defunct)	Less Common	
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Discretions in relation to:

- a) councillor members who ceased active membership on or after 1.4.98., and
b) any other scheme members who ceased active membership on or after 1.4.98. and before 1.4.08

L = LGPS Regulations 1997 (as amended) (SI 1997/1612)

R = LGPS Regulations 2013(SI 2013/2356)

TP = LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (SI 2014/525)

	Discretion	Regulation	Exercised by	Key	Policy
Employer consent retirement	Grant application for early payment of deferred benefits on or after age 50 and before age 55	L31(2)	Employer	Mandatory	University of Hull will not grant early payment of deferred benefits before the age of 55.
Waive reduction	Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early	L31(5) & TPSch 2, para 2(1)	Employer	Mandatory	University of Hull will not waive actuarial reduction on deferred benefits paid early.
85 Year Rule	Whether to "switch on" the 85 year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60	TPSch 2, para 1(2) & 1(1)(f) & R60	Employer (or Admin. Authority where Employer has become defunct)	Mandatory	University of Hull will not switch on the 85 Year Rule for any deferred member voluntarily drawing benefits on or after age 55 and before age 60
No double entitlement	Decide, in the absence 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 (i.e where a member is entitled to the 'normal' payment of a preserved benefit and an ill health benefit from preserved status, they are not entitled to both payments. In the absence of an election from the member, the employer can decide which benefit can be paid)	L34 (1)(b)	Employer	Less Common	
Refund of contributions - member left due to an offence/grave misconduct	No right to return of contributions where a member left their employment due to offence of a fraudulent character or grave misconduct in connection with that employment, unless employer directs a total or partial refund is to be made	L88(2)	Employer	Less Common	
Forfeiture certificate	Forfeiture of pension rights on issue of Secretary of State's certificate following a relevant offence (a relevant offence is an offence committed in connection with an employment in which the person convicted is a member, and because of which the member left the employment)	L111(2) & (5)	Employer	Less Common	
	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	L112(1)	Employer	Less Common	
Recovery of monetary obligation	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)	L113(2)	Employer	Less Common	
	Recovery from Fund of financial loss caused by employee, or amount of refund if less	L115(2) & (3)	Employer	Less Common	

Discretions in relation to scheme members who ceased active membership before 1.4.98

LGPS Regulations 1995 (as amended) (SI 1995/1019)

TL = LGPS (Transitional Provisions) Regulations 1997 (SI 1997/1613)

Area	Discretion	Regulation	Exercised by	Key	Policy
Employer consent retirement	Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds	TP3(5A)(vi) TL4 & L106(1) & D11(2)(c)	Employer (or Admin. Authority where Employer has become defunct)	Mandatory	University of Hull will not grant applications for early payment of deferred benefits between the ages of 50 and 55. Over the age of 55, University of Hull will consider on a case by case basis.
No double entitlement	Decide, in the absence 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 (i.e where a member is entitled to the 'normal' payment of a preserved benefit and an ill health benefit from preserved status, they are not entitled to both payments. In the absence of an election from the member, the employer can decide which benefit can be paid)	D10	Employer	Less Common	