

THE LONDON BOROUGH OF SOUTHWARK PENSION FUND

Employer discretions

Basic guidance

YOUR PENSION CONNECTION





This is a summary of Southwark Council's process of employer discretions.

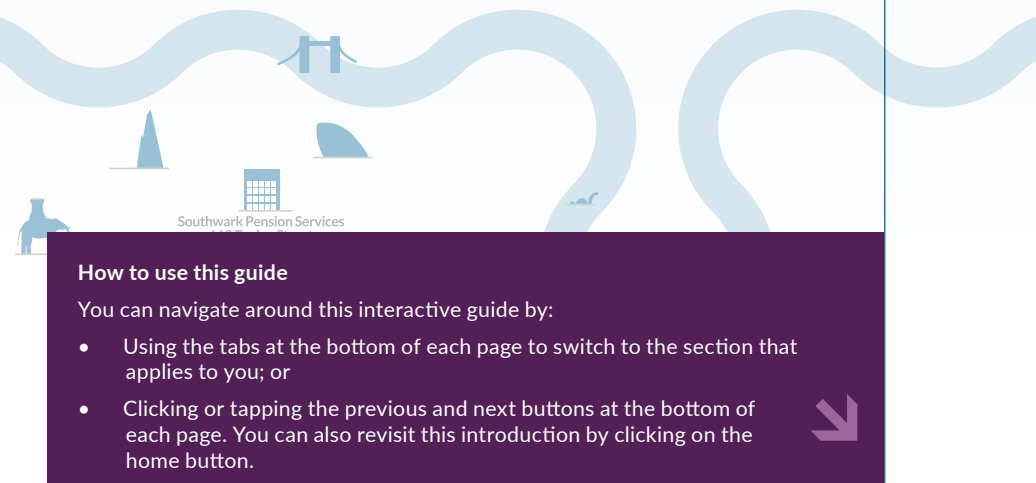
While the Fund has tried to ensure the accuracy of this guide, it is not a legal document and does not confer any rights to the benefits outlined within it. The Fund is subject to UK legislation, any changes to the legislation that come into effect after April 2021 may not be accurately reflected in this guide.

In addition to the guide, the Fund website www.southwarkpensions.co.uk contains more information. Southwark Pension Services are also here to help. You can contact them on:

✉ lbspensions@southwark.gov.uk

☎ 020 7525 4924

🏠 Southwark Pension Services
Southwark Pension Fund
PO Box 7606
WS10 1EJ



How to use this guide

You can navigate around this interactive guide by:

- Using the tabs at the bottom of each page to switch to the section that applies to you; or
- Clicking or tapping the previous and next buttons at the bottom of each page. You can also revisit this introduction by clicking on the home button.





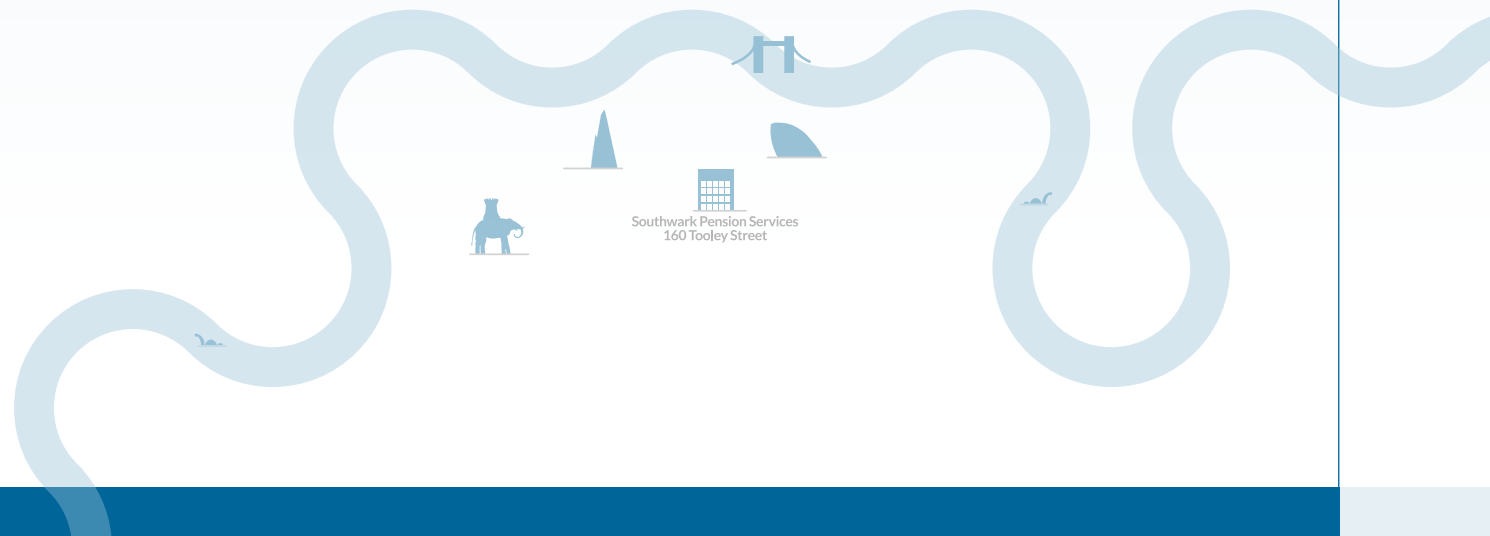
WHY YOU ARE REQUIRED TO HAVE DISCRETIONS

The various Local Government Pension Scheme (LGPS) regulations over the years have always compelled employers to have discretionary policies around how they will make decisions on certain things.

- Those are known as compulsory discretions

The various LGPS regulations also allow employers to have other discretionary policies if they want to.

- Those are known as voluntary discretions.





Mandatory discretion 1 -

members with post 1 April 2014 service

- Whether to grant extra annual pension...
- Whether, at full cost to the Scheme employer, to grant extra annual pension of up to £6,822 (figure as at 1 April 2018 and is inflation proofed) to an active member (or within six months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency).
- Regulation 31 of the LGPS Regulations 2013.

Mandatory discretion 2 -

members with post 1 April 2014 service

- Whether to share the cost of purchasing additional pension (SCAPC)...
- Whether, where an active member wishes to purchase extra annual pension of up to £6,822 (figure as at 1 April 2018 and is inflation proofed) by making additional pension contributions (APCs), to voluntarily contribute towards the cost of purchasing that extra pension via a shared cost additional pension contribution (SCAPC).
- Note – this discretion does not apply to the purchase of SCAPC for unpaid leave periods.

Mandatory discretion 3 -

members with post 1 April 2014 service

- Whether to permit flexible retirement for staff aged 55 or over...
- With the agreement of the Scheme employer, reduce their working hours or grade and, if so, as part of the agreement to permit flexible retirement, whether, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw), to permit the member to choose to draw all, part or none of the pension benefits they accrued after 31 March 2008 and before 1 April 2014, and/or all, part or none of the pension benefits they accrued after 31 March 2014.
- Whether to waive, in whole or in part, any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age.

Mandatory discretion 4 -

members with post 1 April 2014 service

- Whether to 'switch on' the 85-year rule upon the voluntary early payment of deferred benefits...
- Whether, as the 85-year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60, to switch the 85-year rule back on in full for such members.



Southwark Pension Services
160 Tooley Street





Mandatory discretion 5 -

members with post 1 April 2014 service

- Whether to waive upon the voluntary early payment of benefits, any actuarial reduction on compassionate grounds or otherwise...
- For active members voluntarily retiring on or after age 55 and before Normal Pension Age, who elect to immediately draw benefits, and for deferred members and suspended Tier 3 ill-health pensioners who elect to draw benefits on or after age 55 and before Normal Pension Age.

Mandatory discretion 6 -

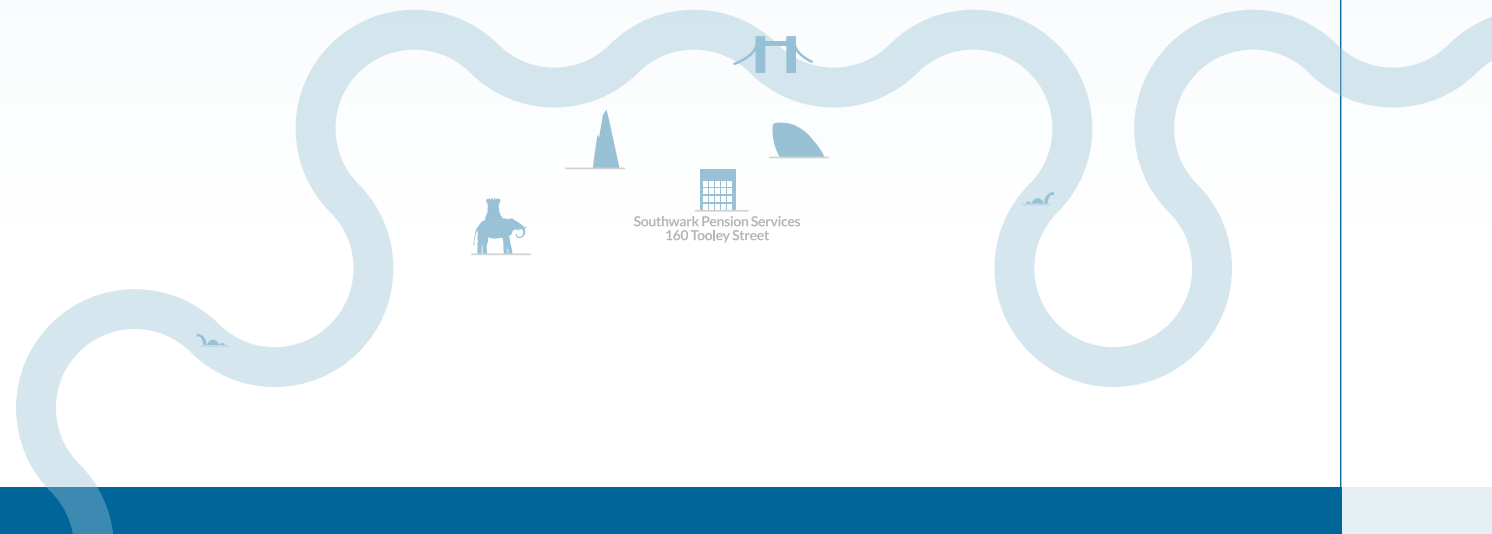
members with post 1 April 2008 – pre-31 March 2014 service

- Whether to 'switch on' the 85-year rule upon the voluntary early payment of deferred benefits...
- Whether, as the 85-year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their deferred benefits on or after age 55 and before age 60, to switch the 85-year rule back on in full for such members.

Mandatory discretion 7 -

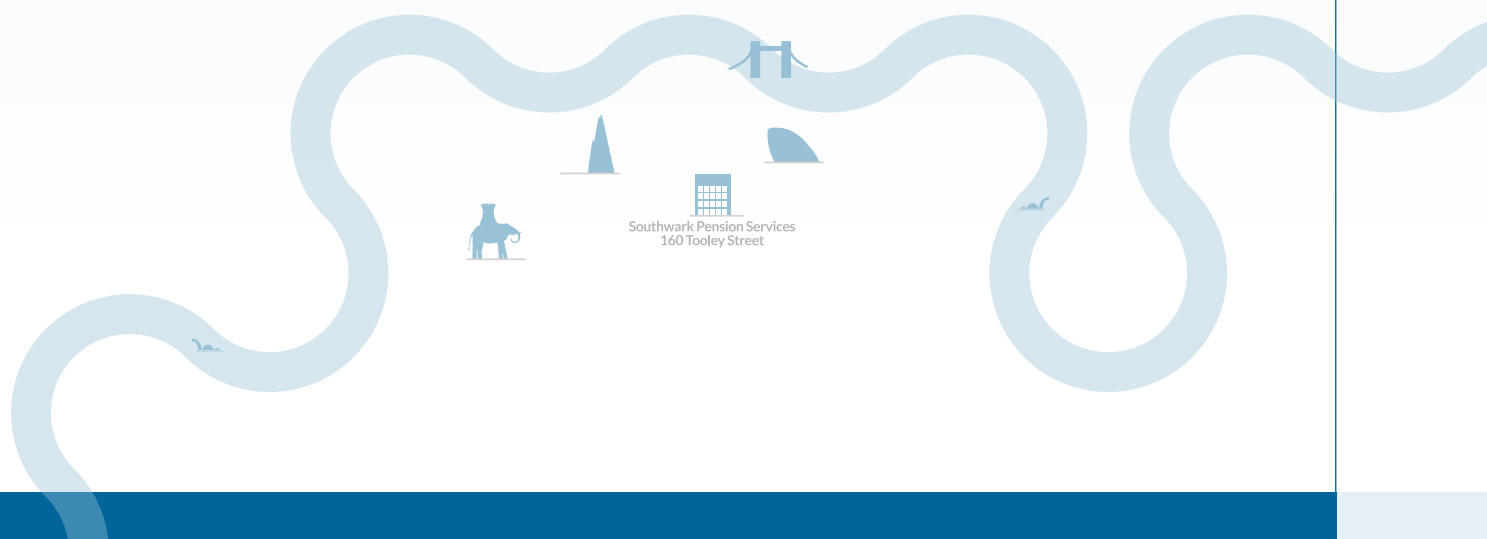
members with post 1 April 1998 – pre-31 March 2008 service

- Whether to 'switch on' the 85-year rule upon the voluntary early payment of deferred benefits...
- Whether, as the 85-year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their deferred benefits on or after age 55 and before age 60, to switch the 85-year rule back on in full for such members.





- Where legislation gives a public authority discretion to make decisions, the public authority must allow itself to consider each decision on its own merits; the public authority must not 'fetter' its discretion by applying a rigid or one-size-fits-all policy to all applications without considering the specific facts of each case.
- A decision that is made by a public authority that has fettered its discretion in this way may be challenged on the grounds that the decision is unlawful. It may also be challenged on the grounds that the procedure by which it was made was unfair, or on the grounds that it is unreasonable





There's more help out there if you need it. There are a number of organisations that can provide you with help and advice about your pension savings. Some of these are listed below:

The Pensions Advisory Service (TPAS)

TPAS is an independent voluntary body that provides free help and advice to members and other beneficiaries of occupational and personal pension schemes. TPAS is available at any time to assist members and beneficiaries with any pension query they may have or any difficulty they have failed to resolve with the trustees or administrators of a scheme.

0800 011 3797

www.pensionsadvisoryservice.org.uk/contacting-us/online-enquiry-form

www.pensionsadvisoryservice.org.uk

lbpensions@southwark.gov.uk

The Pensions Ombudsman (TPO)

TPO deals with all complaints and disputes. If TPAS guidance cannot resolve your problem, you can make a formal application to TPO setting out your complaint. Please note, anyone using TPO's 'Early Resolution Service' will not be expected to have first used the LGPS' IDR if the parties are happy with that.

TPO is impartial and looks at all the facts without taking sides. It has legal powers to make decisions that are final, and binding and enforceable in Court. There is no charge for using TPO as it is funded by grant-in-aid, paid by the DWP.

0800 917 4487

10 South Colonnade
Canary Wharf
London
E14 4PU

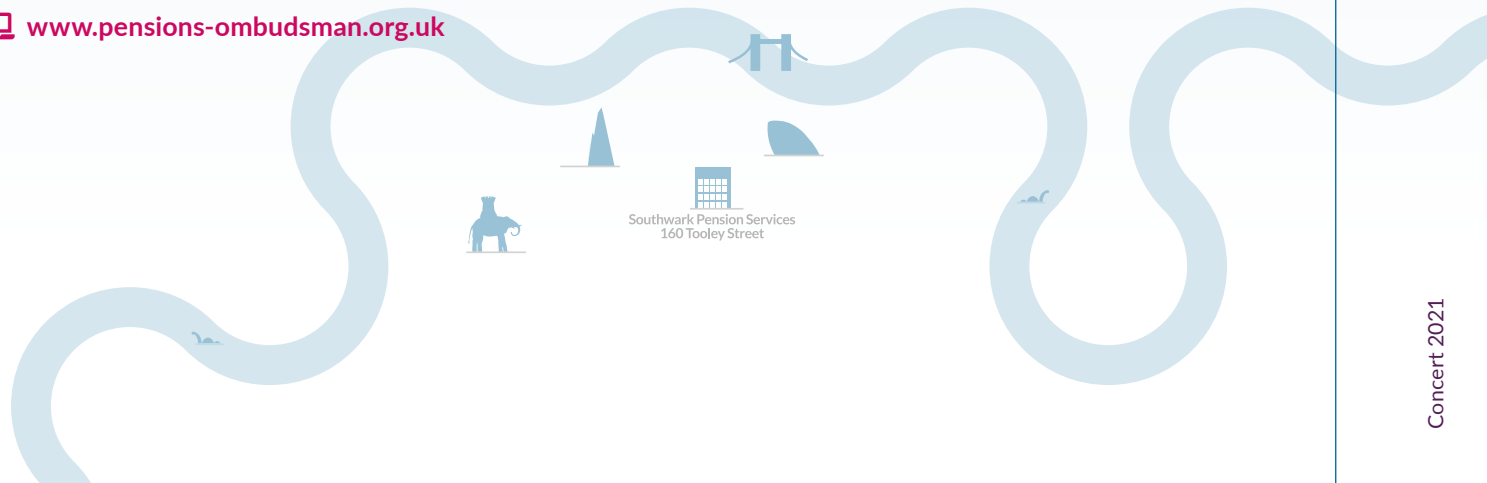
www.pensions-ombudsman.org.uk

Local Government Pension Scheme (LGPS) regulations

All LGPS regulations are available for inspection upon request.

Pension Services
2nd Floor
160 Tooley Street
London
SE1 2QH

www.lgpsmember.org



Southwark Pension Services
160 Tooley Street