

**CITY AND COUNTY OF CARDIFF
DINAS A SIR CAERDYDD**

Employment Conditions Committee: 17 July 2006

Joint Report of the Assistant Chief Executive and Chief Financial Services/Section 151 Officer

The Local Government Pension Scheme Discretionary Payments

Background

1. The following Local Government Pension Scheme Regulations confer upon Local Authorities a number of discretionary powers. As part of the regulations the Council must formulate, publish and keep under review policies adopted in relation to these discretionary powers :

The Local Government Pension Scheme Regulations 1997

The Local Government Pension Scheme (Transitional Provisions) Regulations 1997

The Local Government (Early termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000

Local Government Pension Scheme- (Amendment) Regulations 2006

2. The purpose of this report is to review the Council's policies in respect of the 1997, 2000, and 2006 regulations. Attached to this report are appendices A – C listing the discretionary powers, and recommending the policy to be adopted.
3. However it must be noted that the policies adopted in respect of early retirement and compensatory payments do not and may not commit the Council to automatic application of the terms of that policy in every case as this could be seen as fettering the Council's discretion. Consequentially the Council's Policy should be regarded as a broad statement of principles and each person's case should be considered on its merits. There is an established process for assessing early retirement / voluntary redundancy against relevant criteria.
4. Attached as Appendix E (for information) is a report "Cardiff and Vale of Glamorgan Pension Fund Policy Statement" which was considered by the Executive Business Meeting of 6 July. That report agreed for the proposal policy statement for Cardiff and Vale of Glamorgan Pension Fund be submitted to Council for approval in its role as administrator of the Pension Fund.

Issues / Proposals

Revisions to the Compensation Formula for Redundancy and Efficiency of the Service

5. The Department for Communities and Local Government (DCLG) has issued for consultation, draft regulations that cover the provisions available to employers in cases of redundancy or efficiency of service. In order to comply with Age Discrimination legislation, the DCLG intends to replace the current compensation

formula that provides for a maximum payment of 66 weeks pay based on age and length of service. Additionally, the DCLG is removing the powers within the Discretionary Compensation Regulations (DCR) to award added years to eligible employees over the age of 50 and replace these with a general discretionary power to award compensation up to a maximum of two years pay (104 weeks). These changes will come into force from 1st October 2006.

6. Whilst the changes to the DCR will come into force from 1st October 2006 it is anticipated that actual amending legislation may not be issued in time. This takes into account the fact that the consultation period ends on 31st July 2006, which is followed by the summer recess of Parliament. Therefore there will be an area of potential difficulty, as any review or new policy development can only come into force within one month after the date of publication.
7. Thus potentially, if left unaddressed, there could be a period where the Council will not have an available early retirement policy. It therefore may be appropriate that the Council adopts an interim policy, prior to the formulation of a more comprehensive policy when the actual regulations are agreed by Parliament.
8. It is therefore proposed that, as an interim measure, the Council should maintain the current maximum of 66 weeks, and the existing maximum weeks pay, but pay the number of weeks payable at age 50 irrespective of the age of the employee. This would satisfy the requirement that there is no age discrimination. The attached table, Appendix D, shows the number of weeks payable under the old and interim scheme. The interim scheme will apply from the 1st October 2006 and remain in place until one month after the Council has formulated and published a replacement scheme.

Flexible Retirement

9. Changes were made to the LGPS rules from April 2006, which introduced for the first time the concept of flexible retirement. In brief, where the employer consents to a reduction in grade or hours, the individual may, again with the employers consent, receive immediate access to reduced LGPS benefits. The employer can, in part, or in full, waive the actuarial reduction on compassionate grounds. In this scenario, the individual can be re employed by the same employer from the next day, and the abatement provisions within the LGPS do not apply to such cases. These changes apply to individuals who are aged 50 or over but are under age 65.
10. This new provision requires the Employer to develop and publish its policy in this area. Care needs to be taken as it is anticipated that grade reductions will arise from the Job Evaluation exercise. As the effects of this discretion could be significant it is recommended that it should be the subject of a separate report to the Employment Conditions Committee where more detailed proposals for the appropriate use of flexible retirement could be considered.

Advice

11. This report has been prepared in consultation with relevant Corporate Directors and reflects their advice. It contains all the information necessary to allow Members to arrive at a reasonable view, taking into account the following advice

Legal Implications

12. Under the Regulations the Council as employer is required to formulate and keep under review a policy that applies in respect of exercising the Council's discretions referred to in this report. The Council must publish a written statement of policy and if the Council decides to amend its policy a new written statement must be published within a month of the decision. No change can come into effect until one month has passed since the date the policy was published.

In formulating its policy the Council is required by the Regulations to:

- Have regard to the extent to which the exercise of discretionary powers unless properly limited could lead to serious loss of confidence in the public service, and
- Be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.
- Take care to ensure that a discretionary policy does not fetter the Council's discretion in the longer term. This means that any policy should state that although the Council is adopting specific policies for the time being the Council reserves the right to change the policy at any time and the policy which is current at the time the event occurs will be applied.

Financial Implications

13. Any additional costs to the Council arising from future requests for retirement or decisions on levels of compensation (where discretion exists) will be met by service areas from within available cash limit budgets. All such decisions must take account of the immediate and on-going financial implications to the Council. The costs of administering the Pensions Scheme are met as a charge to the Pension Fund.
14. The financial impact of the interim measure proposed in respect of redundancy compensation is unlikely to be significant and will depend on the number and circumstances of such cases that arise. Under this measure, employees who have yet to reach the age of 50 may be entitled to a higher level of redundancy compensation than would previously have been the case. The implications of flexible retirement will be considered as part of a further report to this Committee setting out the detailed proposals.

Human Resource Implications

15. In formulating and reviewing its Policy the Council is required by the regulations to:
- Have regard to the extent which the exercise of their discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service
 - Be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.
16. However if it is to provide quality consumer driven services the Council also needs to consider:
- The motivation morale and impact on the willingness of staff in working for an organisation which is considered by them to be a good employer

- Its reputation as a fair and reasonable employer
 - Its ability to recruit and retain staff, particularly those with transferable skills in specialist areas
 - The time effort and cost of dealing with claims for unfair dismissal or other costly and damaging disputes and litigation
 - Whether the compensation for the loss of a job should properly recognise the loss of pay and of the expectation of pay faced by staff and the hardship caused to individuals and families.
17. The recommendations in this report provide a reasonable balance between the interests of the Service User and employees.

Trade Union Comments

18. The Trade Unions were broadly happy with the proposed recommendations. They expressed a wish to be consulted on the proposed future ECC reports, referred to in this report ie Revisions to Compensation Formula for Redundancy & Efficiency of the Service and Flexible Retirement. They queried the need for an interim policy in relation to Compensation Formula for Redundancy and Efficiency of the Service. They requested that the current policy should be retained ie the maximum of 66 weeks based on age and length of service , until the Council has formulated and published a replacement scheme. If this was not possible, they requested that any interim policy should be calculated based at the maximum age ie 64 rather than the proposed 50.

RECOMMENDATIONS

19. It is recommended that
- (a) That the recommendations contained in the attached appendices A-C should be adopted by the Council in respect of the Local Government Superannuation Scheme discretionary powers regulations listed in paragraph 1
 - (b) With regard to the Redundancy compensation scheme, as an interim measure, the Council should maintain the current maximum of 66 weeks, and the existing maximum weeks pay, but pay the number of weeks payable at age 50 whatever the age of the employee (as outlined in appendix D). A further report should be submitted to Committee once the regulations have been confirmed.
 - (c) With regard to Flexible Retirement a further report should be submitted to this Committee with detailed proposals in the future.
 - (d) That all discretionary policies should be kept under review and that each person's case should be considered on its merits.
 - (e) That the policies should be published in accordance with the regulations.

Jo Farrar
Assistant Chief Executive

Christine Salter
Chief Financial Services/Section 151 Officer

The following appendices are attached:

- Appendix A - The Local Government Pension Scheme Regulations 1997 and The Local Government Pension Scheme (Transitional Provisions) Regulations 1997
- Appendix B - The Local Government (Early termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 200
- Appendix C - Local Government Pension Scheme- (Amendment) Regulations 2006
- Appendix D – Compensation Under the Discretionary Payments Regulations
- Appendix E – Cardiff and Vale of Glamorgan Pension Fund Policy Statement – Report to Executive Business Meeting 6 July 2006.

LOCAL GOVERNMENT PENSION SCHEME REVIEW OF DISCRETIONARY POWERS UNDER THE PROVISIONS OF THE LGPS REGULATIONS 1997 AND THE LGPS (TRANSITIONAL PROVISIONS) REGULATIONS 1997

Discretion	Recommended Policy	Comments
<p>1. Opting Out – Under the regulations a member who has opted out of the pension scheme more than once can rejoin with the employers consent.</p>	<p>Employees who opt out are only allowed to rejoin the scheme on one occasion.</p>	<p>Opting in and out of the scheme creates additional administration and should therefore be discouraged. This complies with existing policy.</p>
<p>2. Contributions – Prior to 31 March 1998 staff employed as manual workers paid contributions at 5% whilst all other employees paid a contribution of 6%. The 1997 regulations introduced a standard rate of 6%, but protected manual staff at 5% whilst they remained in the same employment. If however there is a break in service of over 1 month and a day, then this protection is lost. The employer has the discretion to lengthen the period of the break in service before the protection is lost.</p>	<p>That the break in service before protection to 5% contribution should remain at 3 months.</p>	<p>The existing policy should be retained</p>
<p>3. Leave of Absence without Pay. - Where an employee has a period of absence on reduced or no pay for a period of 30 days or less, he/she is required to pay standard contributions on the pay that would have been received. For periods in excess of 30 days there is no requirement for staff to pay contributions, but the employee may chose to do so provided he/she applies within 30 of returning to work or the date that employment ceases. The employer has the discretion to increase this application period.</p>	<p>It is recommended that the application period for employees to request that they should be allowed to pay standard contributions for breaks should be increased to 3 months.</p>	<p>It is considered that the 30 day period may be too short for employees to make a decision, bearing in mind the need to obtain information and seek advice on the benefits of buy back. This complies with existing policy.</p>

Discretion	Recommended Policy	Comments
<p>4. On Request Retirement – With effect from 1 April 2005 any employee aged 50* or over, with two or more years pensionable membership may request retirement with immediate payment of benefits. Where the member is under 60 it is at the employers discretion whether to approve the request or not.</p> <p>Pensions paid under these circumstances may be subject to a reduction depending on the total pensionable membership accrued. The employer may waive the reduction on compassionate grounds.</p> <p><i>(*This will increase to age 55 by 2010.)</i></p>	<p>The council’s policy should be that each case is considered on it’s merits taking into account :</p> <ul style="list-style-type: none"> • Whether the retirement is financially advantageous to the Council • Whether the retirement could have an adverse effect on Council services • Whether there are compassionate grounds which could justify firstly approving the retirement and secondly waiving the reduction. <p>Any additional costs to the pension fund to be paid by the employing Service Area over a period to be decide by the Chief Financial Services Officer.</p>	<p>All pensions paid before an employees normal retirement date will involve additional costs. Retirements under these provisions will be subject to the recommendation of the Chief Officer in consultation with the Chief Human Resources Officer and subject to the approval of a Corporate Director under existing delegated powers.</p> <p>This complies with existing policy</p>
<p>5. Augmentation – Employers have the discretion to award extra periods of LGPS membership. This can be applied at any time during the employee’s pensionable membership. If a decision is made to augment service a payment as calculated by the Government Actuary’s Department must be paid to the fund to purchase this additional period within three months of the date of resolution.</p>	<p>It is not recommended that augmentation should be introduced.</p>	<p>Augmentation could be used as a recruitment incentive to attract staff with little Local Government Service or as an incentive to agree early retirement. However in view of the costs involved of awarding additional membership it is felt that the existing policy of not offering this benefit should be retained.</p>
<p>6. Shared Cost Additional Voluntary Contribution Schemes – Under this discretion the employer would contribute towards this scheme which operates in exactly the same way as the AVC schemes.</p>	<p>It is not recommended that this scheme should be introduced.</p>	<p>Again this could be used as a recruitment incentive. However in view of the possible costs to the Council and possible perceptions of inequality if used selectively it is felt that the existing policy of not offering this benefit should be retained.</p>

LOCAL GOVERNMENT PENSION SCHEME- THE LOCAL GOVERNMENT (EARLY TERMINATION of EMPLOYMENT) (DISCRETIONARY COMPENSATION) (ENGLAND and WALES) REGULATIONS 2000

Discretion	Recommended Policy	Comments
<p>7. The Power to pay lump sum compensation of up to 66 weeks. – The Council has the discretion to pay up to maximum of 66 weeks pay to eligible employees, a weeks pay will be calculated in accordance with 8 below. Decisions on eligibility for voluntary severance and for access to associated redundancy payments and/or retirement benefits have to be based on criteria which properly reflect the interests of the Council, balanced against the interests and aspirations of staff who may wish to leave.</p> <p>These payments are in addition to, but inclusive of payments allowed under statutory redundancy provisions.</p> <p>Employees with 40 years pensionable service are not entitled to this payment.</p>	<p>To award the maximum number of weeks payable in accordance with the regulations.</p> <p>When determining the length of service to be used to calculate payments for this purpose the Council will count all past service that falls within the definition of qualifying employment including teaching and the NHS. This is the maximum service that could be counted.</p>	<p>It is desirable for the Council to set a consistent approach.</p> <p>With regard to length of service, the Council could decide to use the minimum, that is only continuous service with the Council,.</p> <p>However it is felt that this proposal would more adequately compensate for loss of job and make the scheme more attractive to possible volunteers.</p> <p>In determining lump sum severance payments the council should consider each case on it's merits taking into account</p> <ul style="list-style-type: none"> • Whether the severance is financially advantageous to the Council • Whether redeployment is a possible alternative
<p>8. The power to Increase a Statutory Redundancy Payment- The council has the discretion to increase a statutory redundancy payment by applying up to an actual week's wage instead of restricting it to the current statutory limit of £290 per week</p>	<p>Redundancy payments to be based on actual weeks pay up to a maximum of £469 per week (as at 1st April 2006) or actual pay whichever is the lesser. The maximum figure to be adjusted by the NJC % pay awards each year.</p>	<p>The Annual increase of the weekly wage in line with the NJC award was approved by the Employment Conditions Committee in December 2002.</p>

Discretion	Recommended Policy	Comments
<p>9. To Grant compensatory Added Years – Under this discretion the Council may award to employees aged 50* or over who have completed 5 years scheme membership and have retired on grounds of redundancy/efficiency added years up to a maximum of 10.. <i>(*This will increase to age 55 by 2010..)</i></p>	<p>No compensatory added years to be awarded</p>	<p>The current practice is not to award added years which have an ongoing cost for the Service Area / Authority. With effect from October 2006 the new regulations will remove the option of giving added years.</p>
<p>10. More than One Surviving Spouse – Where a deceased person is survived by more than one surviving spouse, then the Council has to decide how it will apportion any compensatory pension between the surviving spouses</p>	<p>It is recommended that the Council should apportion the annual compensation between all surviving spouses</p>	<p>This provision covers employees whose faith allows them to have more than one spouse. Applies only where there are legitimate marriages.</p>
<p>11. Suspension of Compensatory Pension on Remarriage – The Council has the discretion to suspend either a widow or widower’s pension of a person who ceased employment prior to 1 April 1998 and who remarries or co-habits after that date.</p>	<p>It is recommended that the suspension rules shall not apply to those who ceased employment prior to 1 April 1998</p>	<p>Former Regulations suspended pension benefit entitlement where a person remarried or co-habited after retirement. New pension scheme rules operational from 1 April 1998 removed this provision, but discretion was given to employer’s as to whether they wished to apply the former provision in relation to those persons who retired prior to 1 April 1998. The Council decided not to apply the suspension rules in such event. The same application now arises in respect of an award of compensatory pension and it would seem equitable to follow the same principle as applied to the main pension scheme benefits. Such cases will be few and far between and therefore will not be financially significant.</p>

LOCAL GOVERNMENT PENSION SCHEME- (AMENDMENT) REGULATIONS 2006

Discretion	Recommended Policy	Comments
<p>12. Flexible Retirement. The regulations now allow flexible retirement whereby staff aged 50 or more may receive their pension and continue in employment. This would require the employee to have a reduction in their working hours or grade. The pension benefits paid would be reduced, but the employer has the discretion to waive the actuarial reduction by making a payment into the pension fund equaling the capital cost of the pension fund.</p>	<p>Please see comments</p>	<p>As the effects of this discretion could be significant it is recommended that it should be the subject of a separate report to the Employment Conditions Committee where more detailed proposals for the appropriate use of flexible retirement could be considered.</p>
<p>13. Contribution Holidays. The former limit of 40 years scheme membership, (or 45 years for some longer serving members) has been removed. As a consequence of this the former regulation, whereby a member who has attained 40 years membership before age 60 was able to enjoy a contribution holiday is removed. It is at the discretion of the employer whether it should require employees to pay contributions unpaid as a result of a contributions holiday.</p>	<p>That as employees took contribution holidays in good faith, and were unaware that they may be required to pay in the future, they should not be required to pay contributions for the holiday periods.</p>	<p>The number of employees who have been able to take advantage of contribution holidays is insignificant, and the requirement to repay could cause hardship to some long serving employees. (There are only 5 employees who would be required to pay contributions at a total cost of £15,000)</p>

Discretion	Recommended Policy	Comments
<p>14. Certificate of Protection. Where an employee has suffered a reduction in pay or pay restraint beyond their control the Council may issue a “Certificate of Protection of Pension Benefits” to protect the employee’s pension rights. Previously the employee had to apply for this protection but the employer now can do this without receiving a request.</p>	<p>That a certificate will be automatically issued in appropriate circumstance</p>	<p>With the implementation of the job evaluation scheme there possibly will be a large numbers of employees who may lose pay.</p>
<p>15. Double Entitlement. The scheme does not allow a person to receive benefit under more than one regulation in respect of same period of membership, and the employer has the discretion to decide under which Regulation the benefit should be paid if the employee does not make a decision.</p>	<p>Employing authority to choose which Regulation under which the benefits are paid if the members does not do so within 3 months</p>	<p>Likely to occur very infrequently, and what is considered to be most beneficial option to the employee will be chosen.</p>
<p>16. Time limit for AVCs. An employee who was paying AVCs in a previous Local Government employment can elect to continue payment in the new employment provided an election is made within one month of the date of appointment . The employer has the discretion to extend the time limit.</p>	<p>That the time limit is increased to three months.</p>	<p>Will enable the administrative arrangements to be completed in the allotted time scale.</p>
<p>17. Elections as to use of accumulated value of AVCs. An employee on retirement may elect to use an ‘in house’ AVC fund to purchase a benefit in the Local Government Scheme provided an election is made within one month of the date of leaving. The employer has the discretion to extend the time limit.</p>	<p>That the time limit is increased to three months</p>	<p>Will enable the administrative arrangements to be completed in the allotted time scale.</p>

EXECUTIVE BUSINESS MEETING:

6 JULY 2006

**CARDIFF AND VALE OF GLAMORGAN PENSION FUND POLICY
STATEMENT**

REPORT OF CORPORATE DIRECTOR

AGENDA ITEM: 7

PORTFOLIO: ECONOMIC DEVELOPMENT & FINANCE

Reason for this Report

1. To request the Executive to agree that the proposed policy statement for the Cardiff and Vale of Glamorgan Pension Fund be submitted to Council for approval in its role as administrator of the pension fund.

Background

2. Cardiff County Council was designated as the administering authority for the Cardiff and Vale of Glamorgan Pension Fund in the LGPS (Local Government Reorganisation in Wales) Regulations 1995. The Employment Conditions Committee considers separately any discretionary policies which apply to Cardiff Council as an employer.
3. The Local Government Pension Scheme is a national pension scheme which is administered locally by administering authorities. The scheme rules are decided by the Office of the Deputy Prime Minister through the Local Government Pension Scheme Regulations 1997 and the subsequent amendments.
4. Most of the scheme rules in the LGPS Regulations 1997 are mandatory. However, the regulations also describe certain matters which are at the discretion of each administering authority. Administering authorities must publish a policy statement summarising its policy on each of these discretionary matters. It is important to recognise that the LGPS regulations also give certain other discretions to employers, such as early retirement and flexible retirement. These are a matter for each individual employer and are therefore not included in the administering authority policy statement.
5. The LGPS regulations have been subject to significant changes with effect from 1 April 2006. It is therefore appropriate for the Council to revise and reconsider the fund's discretionary policies.

Issues

6. The proposed policy statement is shown in Appendix 1. The table lists each existing policy and the proposed revision.
7. The revised policy on abatement deserves further comment as it is a change of the existing policy owing to a change in the regulations. The LGPS regulations allow administering authorities to reduce the pension paid to a pensioner if they are re-employed with another employer in the scheme – a process known as abatement. In line with many other authorities, the pension fund's policy has been to fully abate pensions on re-employment. This discretion still exists under the new regulations. However, the fund's old policy would conflict with a new regulation which gives discretion to employers to allow members to take some of their pension while working reduced hours – a process called flexible retirement. The proposed new policy is that the pension fund no longer applies abatement so that employers in the fund can take advantage of the new flexible retirement provisions.
8. As the Vale of Glamorgan Council allows its elected members to become members of the scheme, it is proposed that the fund's abatement policy is amended so that LGPS pensioners who are elected as Councillors do not suffer any reduction in benefits. If the pension fund continues to apply abatement, the pensions of those individuals may need to be reduced as the LGPS regulations do not distinguish the Councillor role from other forms of pensionable employment.

Reasons for Recommendations

9. To ensure that the Council meets the requirement in the LGPS regulations to maintain and publish a policy statement.

Legal Implications

10. The Council is Trustee of the Pension Fund. In this capacity the Council must determine policies in accordance with the Regulations. The purpose of the proposed policies is to meet the regulatory requirements. When exercising discretion the Council must have regard to relevant considerations and disregard irrelevant ones and must have sufficient information in order to form a balanced judgment. The Council as employer must exercise certain discretions in relation to the application of pension benefits but this report does not and is not intended to include those discretions.

Financial Implications

11. Most of the policies will only be applied in a small number of cases. The financial impact on the pension fund is therefore likely to be minimal. Certain policies such as the removal of abatement will allow employers the freedom to introduce flexible retirement policies. However, employers will incur the cost of such policies rather than the pension fund.

RECOMMENDATIONS

The Executive is requested to recommend the contents of this Policy Statement to Council for approval.

PHILLIP HIGGINS

Corporate Director

27 June 2006

The following Appendix is attached:

Appendix 1 - Cardiff and Vale of Glamorgan Pension Fund Policy Statement

Cardiff and Vale of Glamorgan Pension Fund Policy Statement

Discretion	Regulation	Current policy	Revised policy
<p>Abatement – pensions may be reduced or suspended following re-employment with a Scheme employer.</p>	109-110	<p>'Delegated to Director of Financial Services'</p> <p>The current policy is that pensions will be reduced or suspended during re-employment such that the person would not be in a materially better position than if he or she had not retired. Periods of re-employment of less than 3 months were ignored.</p>	<p>Our new policy is that we will not apply abatement following re-employment. This is for two reasons:</p> <ol style="list-style-type: none"> 1. The new regulations coming into force on 1 April 2006 allow flexible retirement whereby staff can remain employed and begin to receive their pension. Abatement would effectively remove this flexibility. The numbers of staff affected by abatement are currently very small anyway. 2. The decision by one employer to give Councillors access to membership of the scheme also requires clarification of the abatement policy. If abatement were to continue to be applied, there might be a case for reducing the benefits of pensioners who are later elected as Councillors. <p>Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.</p>
<p>Policy on whether to ignore breaks in education for determining whether to continue paying a child's pension to a child who has been in receipt of the pension since before the age of 17.</p>	44	<p>'Delegated to Director of Financial Services'</p> <p>The fund may allow breaks in education unless they appear significant.</p>	<p>No change in policy except that no pension may be reinstated where the child is over the age of 23 (as required by LGPS regulations). Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.</p>
<p>The LGPS regulations state:</p> <p>(1) If a children's pension is payable for more than</p>	47	<p>'Delegated to Director of Financial Services'</p>	<p>The administering authority will act in the best interests of the child/children and will allocate funds in the most reasonable way on the evidence available.</p>

Discretion	Regulation	Current policy	Revised policy
<p>one eligible child, the appropriate administering authority may apportion it amongst the children as they think fit.</p> <p>(2) The appropriate administering authority may pay the whole or part of a children's pension to a person other than an eligible child, to be applied for the benefit of one or more eligible children as the authority direct.</p>			<p>Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.</p>
<p>Payment of lump sum death grant to a nominee or personal representative of the deceased.</p>	38	<p>'Delegate Authority to Director of Financial Services'</p> <p>The grant is paid</p> <p>(a) where there is a statement of wishes form completed, to the person(s) nominated on the form</p> <p>(b) If no form completed, if the person is married and there has been no other claim, to the spouse</p> <p>(c) If neither of the above, on the decision of the Chief Financial Services Officer (or other officer) taking account of all relevant factors including if possible Grant of Probate</p> <p>(d) If the lump sum is not paid within 2 years of the anniversary of death it may be paid to the estate</p>	<p>No change in policy</p> <p>Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.</p>
<p>Elections to pay AVCs:</p> <p>1) The appropriate administering authority may require the amount of the AVCs to be at least the specified minimum.</p> <p>3) They may not do so after AVCs are first paid under the election.</p> <p>3) The specified minimum is the amount specified in regulation 2(8) of the Pension Schemes (Voluntary Contributions Requirements and</p>	60	<p>'Delegated to Director of Financial Services'</p> <p>There is no minimum AVC amount</p>	<p>No change in policy.</p> <p>Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.</p>

Discretion	Regulation	Current policy	Revised policy
Voluntary and Compulsory Membership) Regulations 1987.			
A widow or widower's pensions that comes into payment after 31 March 1998 continues to be paid on re-marriage or co-habitation. However a widow or widower's pensions in payment on or before that date would cease on re-marriage or co-habitation unless the administering authority resolves that it should continue.	N/A	A widow or widower's pensions that is in payment on 31 March 1998 will continue to be paid on re-marriage or co-habitation.	All widow or widower's pensions will continue to be paid on re-marriage or co-habitation. No change on existing policy. The wording has been amended to clarify the position.
If an employee ceased Local Government employment between 1st April 1974 and 31st December 1979 with less than five years membership in the LGPS and they claimed a refund of contributions, they may repay the refund plus interest provided the sum when added to their basic contributions does not exceed 15% of their pay in the tax year in which you repay the refund. The repayment must be made within six months of re-joining the LGPS, or such longer period as the current and former administering authority may allow	N/A	'Delegated to Director of Financial Services' There is no policy to extend the period	Allow an election to repay to be made within 6 months of re-joining the LGPS. Remove the 15% limit and replace this with the new annual limit of total salary. Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.
The LGPS allows the administering authority to commute small pensions into single lump sum payments	49	'Delegated to Director of Financial Services' Pensions that are at or below the commutation limit of £195 per annum for a member who has attained state pension age, or of £260 per annum for a dependant (or any other amount that may be stated in the Regulations) will be commuted to a lump sum	To confirm existing policy and add that, in accordance with Revenue rules, a pension may not be commuted unless the total value of all pension benefits (other than state benefits) are less than £15,000 (as measured by the revenue formula) Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.
To commute pensions where life expectancy on retirement is less than 1	50	Discretion to be exercised by the Director of Financial Services	Also, the LGPS (Amendment) Regulations 2006 require authorities to

Discretion	Regulation	Current policy	Revised policy
year		taking account of all circumstances, including any medical certificate.	first obtain a certificate from a registered person under the Medical Act 1983(a) that the member's life expectancy is less than one year. Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.
<p>The LGPS allows an administering authority to admit community admission bodies into the scheme.</p> <p>The regulations define a community body as: a body, other than the governors or managers of a voluntary school, which provides a public service in the United Kingdom otherwise than for the purposes of gain and which either -</p> <p>(i) has sufficient links with a Scheme employer for the body and the Scheme employer to be regarded as having a community of interest, whether because the operations of the body are dependent on the operations of the Scheme employer or otherwise, or</p> <p>(ii) is approved by the Secretary of State</p>	5	Allow as advised by Director of Financial Services	<p>Community bodies will be admitted if it can be demonstrated that they have guaranteed sources of income in the medium term, and they meet all other requirements detailed in the LGPS regulations. Community bodies will usually only be admitted to the scheme if they are within the Cardiff and Vale of Glamorgan geographical area.</p> <p>Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.</p>
<p>The regulations require requests for transfers inwards to be made within 12 months of becoming an active member. Employers have the discretion to extend this period. However, Regulation 121 states that a 'fund authority may accept a transfer and the administering authority should have regard to the operation of the pension fund. It is therefore prudent for the fund to have its own policy.</p>	121	<p>'Delegated to Director of Financial Services'.</p> <p>No restriction</p>	<p>The Fund will not normally allow transfers in after the member has been in the scheme for more than 12 months, unless it can be demonstrated there has been a significant delay in the administration of the transfer request. The Fund will encourage employers to have a similar policy.</p> <p>Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.</p>
<p>The regulations allow administering authorities the discretion on whether to accept a transfer value</p>	121	<p>'Delegated to Director of Financial Services'.</p> <p>Allow as advised by Fund's Actuary</p>	<p>Allow apart from restriction above. Update reference to Director of Fin Services to 'Chief Financial Services</p>

Discretion	Regulation	Current policy	Revised policy
inwards.			Officer or nominee'.
If the Scheme employer is not the member's appropriate administering authority, before referring any question to any particular registered medical practitioner the Scheme employer must obtain the approval of the appropriate administering authority to their choice of registered medical practitioner.	N/A	Delegate to 'Director of Financial Services'	No change in policy. Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.
To determine the interval at which employee contributions are to be deducted from pay	12	'Delegated to Director of Financial Services'. To be deducted at the interval at which each member is paid	No change in policy. Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.
To determine the pay over dates to the pension fund of employee's contributions and the form and intervals of annual and monthly contribution returns		'Delegated to Director of Financial Services'. In accordance with the provisions of the Section 49(8)(b) of the Pensions Act 1995 and the requirements of the Occupational Pension Scheme (Scheme Administration) Regulations. By the 19 th of the month following the date of deduction unless the administering authority has previously agreed a longer period.	No change in policy. Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.
To determine whether interest should be levied on overdue contribution payments or combined benefit quarterly payments from other pension funds	82	'Delegated to Director of Financial Services'. To be levied at the rate of 1% above base rate as specified in the Regulations.	No change in policy. Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.
To levy a charge on the provision of information and administration of pension sharing on divorce.	N/A	'Delegated to Director of Financial Services'. To charge in accordance with the scale of charges which is specified on form CH1	No change in policy. Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.
To elect on behalf of a deceased member to use a final pay period other than the last 12 months	22	Delegate to 'Director of Financial Service'	No change other than update to ' Chief Financial Services Officer ' or his/her nominated officer. Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.
To request the employing Authority to issue a 'certificate of protection of pension benefits' on behalf of a deceased	23	'Delegate to Director of Financial Services'	No change other than update to ' Chief Financial Services Officer ' or his/her nominated officer. Update reference to

Discretion	Regulation	Current policy	Revised policy
member			Director of Fin Services to 'Chief Financial Services Officer or nominee'.
To pay a contributions equivalent premium to DWP where there has been a transfer of pension rights where the person has a right to a refund of contributions. Alternatively the payment may be held to pay a small pension at retirement age	92	'Delegate to Director of Financial Services'	Wherever possible pay CEP Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.
May impose immediate increase in employer's contribution rate where liabilities exceed amount specified by actuary to the fund in triennial valuation or later event which led to revision of rate	78	Delegate Authority to Director of Financial Services as advised by fund actuary	No change in policy Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.
To require a satisfactory medical report before agreeing to accept an election to purchase additional periods of service	55	'Delegated to Director of Financial Services'. To provide a satisfactory medical report from a registered medical practitioner at the members own expense	No change in policy. Update reference to Director of Fin Services to 'Chief Financial Services Officer or nominee'.