



AGENDA ITEM: 12

NORTH WALES FIRE AND RESCUE AUTHORITY

19 December 2011

DISCRETIONARY PENSION POLICY

Report by Ken Finch, Treasurer

Purpose of Report

- 1 This report is to recommend an amendment to a policy originally determined in 1998 in the light of consequential amendments to the governing Regulations since 1997.

Introduction

- 2 In 1998 the Authority needed to determine decisions to a number of discretionary policies primarily related to the then Local Government Pension Scheme (Transitional Arrangements) Regulations 1997. One of the policies related to Regulation 31 and the policy approved by the Authority is set out in its original form in Appendix A. The situation is now governed by Regulation 30 of The Local Government Pension (Benefits, Membership and Contributions) Regulations 2007 and the current policy should have been reviewed as a consequence. As there had been no need for it to be applied, the matter of a review had not been brought to mind.
- 3 However, as an employee who is in membership of the Local Government Pension Scheme (LGPS) has requested early retirement and early access to his pension, Clwyd Pension Fund has suggested that the discretionary policy should be reviewed and renewed not solely because of the passage of time but also because the Regulations have been amended in the intervening period. As a consequence, the Authority is recommended to approve a new discretionary policy in the terms set out in Appendix B.

- 4 The additional decision making process related to the Chief and Deputy Chief Fire Officers has been added to take account of other changes in pension rules whereby the postholders could be in membership of the LGPS.
- 5 There will have to be a 'waiting period' of 30 days before any decision under the discretionary policy could become effective. This will allow time to advise the recognised Trade Unions of the change to the discretionary policy.
- 6 The other discretionary policies approved in 1998 will also need to be reviewed and will be the subject of a further report.

RECOMMENDATION

- 7 Members approve the discretionary policy set out in Appendix B in respect of Section 30 of The Local Government Pension (Benefits, Membership and Contributions) Regulations 2007.

Appendix A

LOCAL GOVERNMENT PENSION SCHEME (TRANSITIONAL PROVISIONS) REGULATIONS 1997

STATEMENT OF POLICY CONCERNING EXERCISE OF DISCRETIONARY FUNCTIONS

ORGANISATION: NORTH WALES FIRE SERVICE

Regulation 31. Elections for early payment of pension (Members under age 60)

An election by a member aged 50 or over but under 60 to receive early payment of benefits is not effective without the consent of the employer or former employer.

If the age and total membership of the member do not satisfy the 85 year rule the benefits are subject to actuarial reduction.

An employer may determine on compassionate grounds that unreduced benefits should be paid.

Details of Policy Concerning Resolution

Each request will be judged equally and fairly on its own merits and this discretion will only be exercised in cases where it can be demonstrated that it is in the interests of the Authority. This discretion will be exercised by the Chairman and the Vice Chairman in consultation with the Chief Fire Officer.

Regarding the possible payment of unreduced benefits on compassionate grounds each case will be determined on its own merits taking account of the prevailing and possible future circumstances of the applicant. Determination of this discretion will be exercised by the Chairman and Vice Chairman.

Date:

Certified by:

Designation:

When complete please return to:

Personnel Department, North Wales Fire Service, Coast Road, Rhyl, Denbighshire LL18 3PL

Appendix B

Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007

STATEMENT OF POLICY CONCERNING EXERCISE OF DISCRETIONARY FUNCTIONS

ORGANISATION: NORTH WALES FIRE & RESCUE AUTHORITY

Regulation 30 Elections for early payment of pension (Members under 60)

An election by a member aged 55 or over but under 60 to receive early payment of benefits is ineffective without the consent of the employing authority or former employing authority.

The Authority may determine on compassionate grounds that unreduced benefits should be paid.

Details of Policy Concerning Resolution

Each request will be judged equally and fairly on its own merits and this discretion will only be exercised in cases where it can be demonstrated through a business case that it is in the interests of the Authority.

The possible payment of unreduced benefits on compassionate grounds will also be judged equally and fairly on its own merits taking account of the prevailing and possible future circumstances related to the case in question.

Determination of the discretion(s) will be exercised by the Chairman and the Vice Chairman in consultation with the Chief Fire Officer other than in the instance of the request(s) coming from the Chief Fire Officer or Deputy Chief Fire Officer if they are a member of the Local Government Pension Scheme. In this instance determination of the discretion will be exercised by the Fire & Rescue Authority.