

## HOMES FOR LIFE HOUSING PARTNERSHIP

### Local Government Pension Scheme (Scotland) Regulations 2014 Policy Statement on Exercise of Discretion

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Objective: It is a requirement of the Scheme Regulations - each employer must have a policy in place on regulations 16(2)(e) and 16(4)(d) (Additional Pensions Contributions), 29(6) (Flexible Retirement), 29(8) (waiving actuarial reductions), 30 (award of additional pension), and Schedule 2 Paragraphs 2&3 Schedule 2 of the Transitional Regulations (switching on the rule of 85 for members who voluntarily draws benefits between age 55 and 60).

Responsible: Business Manager

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Under Regulation 58 of the Local Government Pension Scheme (Scotland) Regulations 2014, each employer participating in the scheme is required to formulate a policy concerning the exercise of certain discretions contained within the regulations.

After careful consideration and having regards to the extent to which exercise of the functions could lead to a serious loss of confidence in our service, Homes for Life Housing Partnership have decided to exercise its discretion in the following way:

The statement is applicable to all employees of Homes for life Housing Partnership who are eligible to be members of the Local Government Pension Scheme (LGPS).

Compulsory items - on which a policy statement is required

**1.0 Regulation 16(2)(e) & 16(4)(d) of the Local government Pension Scheme (Scotland) Regulations 2014: Additional Pension Contributions.**

Homes for Life Housing Partnership will not have a general policy of entering into an APC contract with a scheme member, but will consider individual cases on their merits.

**2.0 Regulation 29(5) of the Local Government Pension Scheme (Scotland) Regulations 2014: Retirement Benefits: Early payment of benefits on or after age 55 and before age 60.**

Homes for Life Housing Partnership will not have a general policy of granting early payment of benefits on or after age 55 and before age 60 but will consider requests on a case by case basis. Homes for Life Housing Partnership may exercise this discretion where a sound business case can be made for doing so or where other exceptional circumstances arise that make payment of those benefits justifiable. An election made by a member aged less than 60 is ineffective without the consent of the member's employing authority or former employing authority.

**3.0 Regulation 29(6) of the Local Government Pension Scheme (Scotland) Regulations 2014: Flexible Retirement**

Homes for Life Housing Partnership will not have a general policy of agreeing to requests for early payment of retirement benefits from a member who has attained age 55 and who with his employer's consent, has also reduced his hours and/or grade. However, where Homes for Life Housing Partnership consider it can be demonstrated as being to their advantage or in their operational interested, it will consider such requests.

Should Homes for Life Housing Partnership agree to the early payment of benefits under this regulation in any case, they will not have a general policy of waiving any reduction which would normally be applied to the benefits.

**4.0 Regulation 29(8) of the Local government Pension Scheme (Scotland) Regulations 2014: Waiving Actuarial Reduction on Early Retirement between 55 and 60.**

Any scheme member aged 55 or over, providing they have left employment, can ask for the early payment of pension benefits, but these benefits may be reduced for early payment.

Homes for Life Housing Partnership will not have a general policy of agreeing to requests for early payment of retirement benefits from a member who has attained age 55 or over and is under age 60. However, where Homes for Life Housing Partnership considers it can be demonstrated as being to their advantage or in their operational interests, it will consider such requests.

Should Homes for Life Housing Partnership agree to the early payment of benefits under this regulation in any case, they will not have a general policy of waiving any reduction which would normally be applied to the member's benefits.

**5.0 Schedule 2 - paragraphs 2 & 3 of the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014**

Homes for Life Housing Partnership will not have a general policy of agreeing to requests for early payment of retirement benefits from a member who has attained age 55 and is under age 60 who with his employer's consent. However, whether

Homes for Life Housing Partnership considers it can be demonstrated as being to their advantage or in their operational interest, it will consider such requests.

Should Homes for Life Housing Partnership agree to the early payment of benefits under this regulation in any case, they will not have a general policy of applying the Rule of 85, nor will they waive any reductions which would normally be applied to the benefits.

**6.0 Regulation 30 of the Local Government Pension Scheme (Scotland) Regulations 2014: Award of Additional Pension**

Homes for Life Housing Partnership will not have a general policy of awarding additional pension in this way, but will consider individual cases on their merits. Homes for Life Housing Partnership may exercise this discretion in an individual case by written resolution where financial or operational advantages can be demonstrated.

**7.0 Regulation 29(5) of the Local government Pension Scheme (Scotland) Regulations 2014: (Voluntary Early Retirement between the ages 55 and 60)**

A former scheme member aged 55 or over, providing they are not in Local Government employment, can ask for the early payment of their deferred pension benefits. Where the member is under age 60, it is at the employer's discretion to agree to early payment.

Homes for Life Housing Partnership will not have a general policy of allowing early payment of benefits for former employees, but will consider applications on their merits. Homes for Life Housing Partnership may consent to voluntary early release where it can be demonstrated as being in Homes for Life Housing Partnership's financial or operational interests. Where early payment is permitted, the employer will not have a general policy of applying the Rule of 85, nor will they waive any reduction which would normally be applied to the benefits.

**8.0 Regulation 30 of the Local Government Pension Scheme (Benefits, Membership and contributions) (Scotland) Regulations 2008: (Voluntary Early Retirement between the ages 50 and 60)**

Any scheme member aged 50<sup>1</sup> or over, providing he has left his employment, can ask for the early payment of pension benefits. Where the member is under age 60, it is at the employer's discretion to agree to early payment. This discretion may also apply to former members with deferred pension rights when they attain age 50<sup>1</sup>.

Homes for Life Housing Partnership will not have a general early release policy, but will consider application on their merits. Homes for Life Housing Partnership may consent to voluntary early release under regulation 30 of the Benefits Regulations where it can be demonstrated as being in Homes for Life Housing Partnership's financial or operational interests. In the event that Homes for Life Housing Partnership does consent to a scheme member's early release it may further

determine on compassionate grounds under regulation 30(5) that a scheme member's benefits should not be reduced. Homes for Life Housing Partnership will only exercise this further discretion in exceptional cases of hardship.

Non-Compulsory Items - on which a policy statement may be prudent:

**9.0 Regulation 17(1) of the local Government Pension Scheme (Scotland) Regulations 2014: Shared Cost AVC's**

This regulation allows Homes for Life Housing Partnership to set up additional voluntary contributions (AVC) scheme requiring a contribution from Homes for Life Housing Partnership. Scheme members already have access to AVC arrangement which accept member-only contributions. The policy of Homes for Life Housing Partnership is not to establish a shared cost AVC scheme.

**10.0 Regulation 89 of the Local Government Pension Scheme (Scotland) Regulations 2014: Forfeiture of pension rights after conviction for employment-related offences.**

Under this regulation, Homes for Life Housing Partnership may apply to the Scottish Ministers to forfeit all or part of a scheme member's pension benefits. This would apply in a case of conviction for a serious offence which were either 'gravely injurious to the State' or 'liable to lead to a serious loss of confidence in the public service'. In the interest of maintaining confidence in the public service, Homes for Life Housing Partnership reserves the right to exercise this discretion should the need arise.

**11.0 Regulation 90 of the Local Government Pension Scheme (Scotland) Regulations 2014: Recovery or retention where former member has misconduct obligation.**

Under this regulation, Homes for Life Housing Partnership may recover from his pension benefits any loss arising from a criminal, negligent or fraudulent act by a former employee. In the interest of maintaining confidence in the public service, Homes for Life Housing Partnership reserves the right to exercise this discretion should the need arise. However, consideration will be taken of any means available for recovering monetary obligations.

**12.0 Regulation 98 of the Local government Pension Scheme (Scotland) Regulations 2014: Inward Transfer of Pension Rights**

Homes for Life Housing Partnership will not have a general policy of allowing late transfer to proceed. Instead it will consider individual applications on their merits and may, in agreement with the Lothian Pension Fund exercise discretion to allow a later transfer to proceed where there is no financial impact on Homes for life Housing Partnership and the Lothian Pension Fund.

**13.0 Regulation 9(4) of the Local Government Pension Scheme (Scotland) Regulations 2014: Member Contributions**

Under this regulation, Homes for Life Housing Partnership may adjust a member's contribution rate should a change in pay move them into a different band during the financial year. Providing that a consistent approach is taken, in the interest of maintaining confidence in the public service, Homes for Life Housing Partnership reserves the right to exercise this discretion should the need arise.

**14.0 Regulation 16(16) of the Local Government Pension Scheme (Scotland) Regulations 2014: Additional Pension Contributions**

Under this regulation, where a member enters into an additional pension contract to which employer contributions may be made (Shared Cost Additional Pension Contract), an application to enter into the contract must be made within 30 days of returning to work. Homes for Life Housing Partnership will not generally agree to extend this time limit, but will do so exceptionally, where an employee provides evidence of extenuating circumstances.

**15.0 The Local Government (Discretionary Payments and Injury Benefits)(Scotland) Regulations 1998 and the Local Government (Discretionary Payments and Injury Benefits)(Scotland) Amendment Regulations 2008**

As an admitted body Homes for Life Housing Partnership has not adopted these regulations and will not generally have a policy of making the discretionary payment provided or under these regulations. For the avoidance of doubt this does not include any compensation payable for injury under an Insurance cover taken out by Homes for Life Housing Partnership specifically to cover injuries.

Homes for Life Housing Partnership does however reserve the right to consider individual cases where it can be demonstrated that such payments would be in Homes for Life Housing Partnership's financial or operational interests.

**16.0 Authorisation**

For the avoidance of doubt, any exercise of discretion under paragraphs 1.0 – 15.0 above will require prior consideration of and approval by the Board of Homes for Life Housing Partnership.

**17.0 Review**

In making this policy, Homes for Life Housing Partnership has referred to the statutory provisions and has taken advice from the City of Edinburgh Council as the Pension Scheme administering authority.

This policy statement will be kept under review and will be revised as and when necessary to reflect any changes in regulations or policy. Any changes to this policy will be advised to the administering authority and scheme members in writing within one month of the change taking effect.

**For the attention of The Lothian Pension Fund**

Please find attached a copy of Homes for Life Housing Partnership's Local Government Pension Scheme Statement, which was approved at the 29<sup>th</sup> July 2015 Board Meeting.  
I can confirm that the statement will be communicated to the 5 members within the organisation.

George Russell  
Business Manager