

**Policies on the discretions to be exercised under the LGPS Regulations in relation to those scheme members who left prior to 1 April 2015 and Policies on the discretions to be exercised under the Discretionary Compensation Regulations**

<b>Table B: Discretions to be exercised on and after 1 April 2015 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 April 2009 and 31 March 2015</b>	<b>Belfast City Council policy</b>
<p>1. Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.</p> <p>(No change to existing BCC discretion)</p>	<p>Belfast City Council will consider an application to waive, on compassionate grounds<sup>1</sup>, any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65. Each case will be considered on its merits and will be subject to the approval of the Director of Finance and Resources.</p>

Normal pension age (NPA) means the member's normal pension age under the 2015 Scheme which is linked to the member's State Pension Age (SPA) but with a minimum of age 65. State Pension Age is currently age 65 for men. State Pension Age for women is currently being increased to be equalised with that for men and will reach 65 by November 2018. The State Pension Age will then increase to 66 for both men and women from December 2018 to October 2020. Under current legislation the State Pension Age is due to rise to 67 between 2026 and 2028 and to 68 between 2044 and 2046. However, the government has announced plans to link rises in the State Pension Age above age 67 to increases in life expectancy.

<b>Table C: Discretions to be exercised on and after 1 April 2015 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 February 2003 and 31 March 2009</b>	<b>Belfast City Council policy</b>
<p>1. Whether, on compassionate grounds<sup>2</sup>, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.</p> <p>(No change to existing BCC discretion)</p>	<p>Belfast City Council will consider an application to waive, on compassionate grounds, any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65. Each case will be considered on its merits and will be subject to the approval of the Director of Finance and Resources.</p>

<b>Table D: Discretions to be exercised on and after 1 April 2015 under the LGPS Regulations in relation to scheme members who ceased active membership before 1 February 2003</b>	<b>Belfast City Council policy</b>
<p>1. Whether, with the agreement of the Northern Ireland Local Government Officers' Superannuation Committee, to grant applications for the early payment of deferred pension benefits on or after age 50<sup>3</sup> and before age 65 on compassionate grounds.</p> <p>(No change to existing BCC discretion)</p>	<p>Where a former scheme member who left the scheme before 1 February 2003 requests early release of deferred benefits on or after age 50 and before age 65 on compassionate grounds, the case will be considered on its merits and will be subject to the approval of the Director of Finance and Resources.</p>

<sup>2</sup> There is no definition in the Regulations of "compassionate grounds". However, one could take the view that, for example, waiving a reduction because the member is short of funds / out of work would not be appropriate (as the pension scheme is not a social security scheme); whereas, for example, releasing benefits because the member has had to give up work to look after orphaned grandchildren would clearly be a case where an employer might wish to exercise compassion.

<sup>3</sup> It should be noted that benefits paid on or after age 50 and before age 55 will be subject to an unauthorised payments charge under the Finance Act 2004 and, where applicable, an unauthorised payments surcharge under that Act, but there would be no Scheme sanction charge.

Table E: Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2007	Belfast City Council policy
<p>1. Whether to base a redundancy payment on an employee's actual weeks' pay where this exceeds the statutory week's pay limit of, currently, £470 per week (as at 6 April 2014).</p> <p>(No change to existing BCC discretion)</p>	<p>Any redundancy payment will be calculated on an employee's actual week's pay and not limited to the statutory weeks' pay limit where pay exceeds that limit.</p> <p>Continuous local government service, as defined under the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order (Northern Ireland) 1999, will be taken into account in the calculation of redundancy payments.</p>
<p>2. Whether to make a termination payment (inclusive of any redundancy payment) of up to a maximum of 104 weeks' pay to employees whose employment is terminated on the grounds of redundancy or efficiency of the service.</p> <p>(No change to existing BCC discretion)</p>	<p>Redundant staff will receive a termination payment (to incorporate redundancy pay) calculated using the statutory redundancy payment formula but based on actual pay, enhanced by a multiplier of 2.2</p> <p>A termination payment will be paid to employees whose employment is terminated on the grounds of efficiency of the service calculated using the statutory redundancy payment formula but based on actual pay, enhanced by a multiplier of 1.2</p>

Table F: Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2003	Belfast City Council policy
<p>1. How a person's annual compensatory added years pension is to be abated during, and following the cessation of, any period of re-employment by an employer who offers membership of the LGPS to its employees, regardless of whether or not the employee chooses to join the LGPS (except where the employer is an Admitted Body, in which case abatement only applies if the person is in, or eligible to be in, the LGPS in the new employment).</p> <p>(No change to existing BCC discretion)</p>	<p>Belfast City Council will, during any period of re-employment in local government (see note below), abate a person's annual compensatory added years' payment by the 'excess' if the aggregate of:</p> <ul style="list-style-type: none"> <li>- the annual compensation, and</li> <li>- the annual pension from the LGPS, and</li> <li>- the annual rate of pay from the new employment</li> </ul> <p>exceeds the pay the person would have received from the employment in respect of which the compensatory added years were granted, based on the annual rate of pay at the date of ceasing the former employment as increased by the relevant cost of living increases (i.e. as increased by the rate at which an 'official pension' is increased under the Pensions (Increase) Act 1971). Index.</p> <p>Where compensatory added years were awarded on or after 24 March 2003, Belfast City Council will reduce a person's annual compensatory added years' payment following the cessation of a period of re-employment in local government (see note below) to the extent necessary to secure that if:</p> <ul style="list-style-type: none"> <li>- the period of compensatory added years granted in respect of the former employment,</li> </ul> <p>plus</p>

- the period of membership the person has accrued in the LGPS (or would have accrued had he / she joined the scheme when first eligible to do so) during the period of re-employment in local government, counted at its part-time length, if the person was part-time,

exceeds

- the period of membership the person would have accrued during the period from the cessation of the former employment until age 65 on the assumption that he / she had continued in that former employment to age 65 (again counted at its part-time length if the person was part-time at the date of cessation of the former employment),

then

- the annual pension and lump sum from the first job combined with the annual pension and lump sum from the second job (based on the assumption that the employee joined the LGPS when first eligible to do so), plus the annual compensation and lump sum compensation, shall not in aggregate exceed the pension and lump sum the person would have achieved if he / she had remained in the first job through to age 65.

Where there is an excess, the annual compensation will be reduced by the excess pension and, if the annual compensation is not reduced to nil, the amount of the remaining (reduced) basic annual compensation will then be suspended until the excess lump sum (if any) is recovered.

In calculating whether or not, in aggregate, the annual pension and lump sum from the first job, plus the annual pension and lump sum

(if any) from the second job (based on the assumption that the employee joined the LGPS at the first opportunity), plus the annual compensation and lump sum compensation, exceeds the pension and lump sum the person would have achieved if he/she had remained in the first job through to age 65 it will be necessary to compare:

a) the actual LGPS pre 1 April 2009 1/80th pension and 3/80ths lump sum, plus the actual LGPS post 31 March 2009 1/60th pension (ignoring any commutation for a lump sum), plus the actual 1/80th annual compensation and 3/80ths lump sum compensation, with

b) the 1/80th LGPS pension and 3/80ths lump sum the member would have achieved in their first job to 31 March 2009, plus the 1/60th LGPS pension the member would have achieved in their first job (ignoring any potential commutation for a lump sum), if the member had stayed in the first job through to age 65.

In determining the benefits the employee could have achieved had he / she remained in the first employment through to age 65 it will be necessary to determine the pensionable pay to be used in the calculation. For this purpose, the pensionable pay figure used in the calculation of the pension benefits in the first job will be used as brought up to date by increasing it in line with the Pensions Increase (Review) Orders.

If a person has been awarded more than one previous period of compensatory added years, e.g. as a result of being made redundant more than once, the abatement / claw back provisions are modified. In such a case, the rules under the former Local Government (Discretionary Payments) Regulations (Northern Ireland) 2001 will be applied where a person ceases a period of re-employment in local government and has previously been granted more than one period of compensatory added years, but using the

	<p>pay in the first job as increased in line with inflation (i.e. ignoring regulations 17(5)(a)(ii), 17(6) and 17(7) of the Local Government (Discretionary Payments) Regulations (Northern Ireland) 2001.</p> <p>Where compensatory added years were awarded before 24 March 2003 Belfast City Council will reduce a person's annual compensatory added years' payment following the cessation of a period of re-employment in local government (see note below) in accordance with the Local Government (Discretionary Payments) Regulations (Northern Ireland) 2001.</p> <p><b>Note:</b> 'local government' means employment with an employer who offers membership of the LGPS to its employees, regardless of whether or not the employee chooses to join the LGPS (except where the employer is an Admitted Body). Technically, an employee of an Admitted Body (i.e. a body that has applied to the administering authority to allow its employees to join the LGPS and has entered into a formal admission agreement) is only employed in 'local government' if he / she is a member of the LGPS.</p>
<p>2. How any surviving spouse's or civil partner's annual compensatory added years pension is to be apportioned where the deceased person is survived by more than one spouse or civil partner. <b>(No change to existing BCC discretion)</b></p>	<p>Belfast City Council will apportion any surviving spouse's or civil partner's annual compensatory added years pension where the deceased person is survived by more than one spouse or civil partner in such proportions as, at its sole discretion, it sees fit (based on the merits of the individual cases).</p>
<p>3. Whether, if the spouse or civil partner of a person who ceased employment before 1 February 2003 remarries, enters into a civil partnership or cohabits after 1 February 2003, the normal annual compensation suspension rules will be disapplied i.e. the spouse's or civil partner's annual compensatory added years pension will continue to be paid. <b>(No change to existing discretion)</b></p>	<p>If the spouse or civil partner of a person who ceased employment before 1 February 2003 remarries, enters into a new civil partnership or cohabits after 1 February 2003, the normal annual compensation suspension rules will be disapplied i.e. the spouse's or civil partner's annual compensatory added years pension will continue to be paid.</p>