

PERSONNEL COMMITTEE

Minutes of a meeting of the Personnel Committee held on Monday, 10 February 2014 at 3.00 pm at Addenbrooke House, Telford

PRESENT: Councillors K S Sahota (Chairman), E A Clare, S Davies, N A Dugmore, A J Eade and R A Overton

PEB-1 MINUTES

RESOLVED – that the minutes of the meeting of the Personnel Board held on 19 March 2013 be confirmed and signed by the Chairman.

PEB-2 APOLOGIES FOR ABSENCE

Councillor K R Guy.

PEB-3 DECLARATIONS OF INTEREST

Cllr A J Eade declared an interest in minute number PEB-4 in relation to his wife's employment but indicated that in the circumstances he would not be withdrawing from the meeting for that item.

PEB-4 PUBLICATION OF THE COUNCIL PAY POLICY STATEMENT

The People Services Manager presented the report of the Assistant Director: Law, Democracy & People Services, which outlined the content of the Council's updated pay policy for 2014/15. A copy of the Pay Policy Statement was attached to the report.

The Localism Act 2011 required local authorities to produce an annual Pay Policy Statement covering the setting of pay levels and remuneration at various tiers of the Council. The Statement followed a similar format to that approved a year ago but some minor changes were highlighted. Whilst Chief Officer remuneration remained static and termination payments were unchanged, the lowest salary paid had increased by 1% following a national pay award effective from 1st April 2013. The pay award had, therefore, impacted slightly on the pay multiple between the lowest paid FTE employee and Chief Officers and this still remained well below the threshold set out in the Hutton 'Review of Fair Pay in the Public Sector'.

Members asked a number of questions regarding the Statement. In response, the People Services Manager advised Members that Returning Officer Fees were paid by Central Government and he agreed to provide further detail in a written précis. He also gave details regarding the payments made to the Council's Apprentices and retention rates at the end of training contracts together with efforts to assist apprentices find employment with the Council or its partners. Members sought benchmark detail regarding the pay multiple of the lowest paid fte employee and the Managing Director and were reminded that the Council had voluntarily increased the lowest paid salary to scale point 5 on the national scale but there was no national published comparison data available.

RESOLVED (by majority)

- (a) **TO RECOMMEND TO COUNCIL that the Council's Pay Policy Statement for 2014/15, as amended, be approved for publication on the Council's website on 1 April 2014;**
- (b) **that authority be delegated to the Assistant Director: Law, Democracy & People Services, in consultation with the Leader of the Council, to amend the Statement as necessary in line with any national guidance that is issued following the meeting.**

The meeting closed at 3.12pm

Chair.....

Date.....

TELFORD & WREKIN COUNCIL

PERSONNEL COMMITTEE – 26 JUNE 2014

LOCAL GOVERNMENT PENSION SCHEME: EMPLOYER'S DISCRETIONARY POLICIES

REPORT OF THE ASSISTANT DIRECTOR: LAW, DEMOCRACY & PEOPLE SERVICES

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

The introduction of the new Local Government Pension Scheme 2014 (LGPS) on 1st April 2014 requires all Scheme employers to publish policy statements under new discretions afforded by the various Local Government Pension Scheme Regulations 2013 and 2014 no later than 30th June 2014. This report:

- 1.1 considers a number of discretionary policies under the Local Government Pension Scheme Regulations 2013 and 2014 where the Council is required to have a written policy
- 1.2 confirms a discretionary policy under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011
- 1.3 confirms some changes to the existing discretionary policies under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 (as amended)
- 1.4 appoints an Adjudicator to hear appeals relating to decisions made under these Regulations in accordance with the Internal Disputes Resolution Procedure.

These discretions do not apply to councillors. Trade unions have been consulted on the requirement for employers to set discretions for pensions.

2. RECOMMENDATIONS

- 2.1 Detailed recommendations, which relate to all members of the 2014 Local Government Pension Scheme, are to be found in Appendix B. It is recommended that these be formally approved and will take effect for all decisions made with immediate effect and that any resultant amendments may be made to existing discretions which are effected by these decisions. Decisions made and confirmed in writing on or before 26th June will be based on previous comparable policies where they exist.

- 2.2 Detailed recommendations amending the policy on discretions under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 for people who are, or are eligible to be, members of the Local Government Pension Scheme, are to be found in Appendix C. It is recommended that these be formally approved and will take effect for all decisions made on or after 1st August 2014. Decisions made and confirmed in writing before this date will be based on previous policies.
- 2.3 Detailed recommendations, which relate to all employees who are, or are eligible to be, members of the Local Government Pension Scheme, in relation to the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 are to be found in Appendix D. It is recommended that these be formally approved and will take immediate effect.
- 2.4 That authority be delegated to the People Services Manager to make all decisions arising from discretions under the Local Government Pension Scheme Regulations following consultation with the Managing Director and the Section 151 Officer.
- In the case of decisions relating to the Managing Director and Directors, these will be considered by the Personnel Committee.
- 2.5 The Council is required to appoint an independent Adjudicator to consider first stage appeals under the Internal Disputes Resolution Procedure. This is a personal appointment and does not need to be an employee, but should be familiar with the Pension Scheme Regulations. It is recommended that this be Jonathan Eatough, Assistant Director: Law, Democracy & People Services.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	These proposals support all objectives through the provision of a fair set of employment policies which value the Council's workforce, enabling it to provide services which put Co-operative values at the heart of the Organisation
	Will the proposals impact on specific groups of people?	
	No	<i>Not applicable</i>

TARGET COMPLETION/DELIVERY DATE	<i>Not applicable</i>	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	Recommendations are based on policies that are seen to be workable, affordable and reasonable having regard to the foreseeable costs.
LEGAL ISSUES	These are addressed in the Appendices	Recommendations are based on the exercise of discretionary powers which are limited to the extent that they should not lead to a serious loss of confidence in the public service.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	Not applicable.
IMPACT ON SPECIFIC WARDS	No	Not applicable.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

Local Government Pension Scheme 2014

4.1 Following the Government's fundamental review of public sector pension provision a number of changes are to be made to public sector pensions schemes. These changes are:

- All public sector pensions schemes should change from final salary to career-average revalued earnings schemes
- Scheme retirement ages should be the same as state retirement pension ages
- Scheme members and employers should share the increasing costs of providing public sector pension schemes
- Existing rights of Scheme members should be protected

The Local Government Pension Scheme (LGPS) is the first of the public sector schemes to be moved to this new basis and changes to that Scheme became effective on 1st April 2014. Other schemes where employees are affected (Teachers Pension Scheme and the NHS Pension Scheme) will move to this basis on 1st April 2015.

Whilst the main Regulations were issued in late 2013, further Regulations setting out more detail and transitional provisions were published only recently.

- 4.2 LGPS 2014 accommodates all the changes and Appendix A compares the new Scheme with the 2008 Scheme.
- 4.3 Benefits accrued prior to 1 April 2014 are largely unaffected by the 2014 Scheme and any service accrued under previous Schemes will continue to be assessed on a final salary basis rather than a career-averaged scheme.
- 4.4 In total there are 107 discretions under the new and previous schemes, although not all have to have a formal published policy. This report looks at those new discretions under the 2014 Scheme which require a formal published policy and some amendments to existing policies. Policy decisions made under previous schemes remain in place, since those will apply to previous membership and benefits accrued in varying circumstances.
- 4.5 Appendix B sets out those discretions where the Council must publish its policy, together with individual recommendations and the reasoning behind them.

Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006

- 4.6 Appendix C sets out a recommended change to the current policy in relation to early retirement in the interest of efficiency of service. Although this discretion has been used only once since the Council adopted its current policy in 2008, it is now appropriate to review since it is considered to be too rigid and could enable someone to receive a higher payment that they would through redundancy. In addition it gives no discretion for negotiation of a payment on termination since it sets a defined payment based on statutory notice periods. It is therefore recommended that future cases of early retirement on grounds of efficiency of service be considered on an individual basis, subject to ensuring that no-one is better off leaving on these grounds than they would have been had they been made redundant.

Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

- 4.7 Appendix D sets out a proposed policy in relation to Injury Allowances under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011. The Regulations afford a discretion for the Council to make an award to an employee (who is, or is entitled to be, a member of the Local Government Pension Scheme) to receive compensation where, in the course of carrying out his/her normal work, an injury is sustained or a disease contracted which leads to:
- the loss of their employment through permanent incapacity; or
 - a reduction in remuneration as a result
 - their death, in which case death benefits may be paid to a spouse or partner and/or a dependent.

Any payments that are made by the Council in such circumstances must then be reduced in defined circumstances, such as payment of benefits or a pension which may mean that the payment can be reduced to nil. To date no claims have been received.

Since the Council gives access to eligible employees to the Local Government Pension Scheme which provides comprehensive cover for ill health and death in service, it is recommended that cases be considered only in exceptional circumstances. Any such cases would be considered on an individual basis taking into account all circumstances related to the original incident, including contributory negligence by the employee. In accordance with the Regulations an opinion would be obtained from an Independent Registered Medical Practitioner and would form part of a detailed report setting out all relevant documentary evidence.

- 4.8 In determining policies under these Regulations the Council must have regard to the extent to which the exercise of any of its policies could lead to a serious loss of confidence in the public service. Decisions must be workable, affordable and reasonable in the circumstances having regard to the foreseeable costs. All recommendations are put forward on this basis.

5 PREVIOUS MINUTES

Cabinet – 10 March, 2008 (CB -137)

6 BACKGROUND PAPERS

None

Report prepared by John Harris, People Services Manager – 01952 383520

Key differences between the 2008 and 2014 Local Government Pension Schemes

	New LGPS 2014	LGPS 2008
Scheme Basis	Career Average Revalued Earnings	Final Salary
Proportion of pay each year which counts towards pension	1/49 th	1/60 th
Pay which counts towards pensions	Actual pay including non-contractual overtime and additional hours	Full-time equivalent pay for part-time staff and excludes non-contractual overtime and non-pensionable additional hours
Contribution flexibility	Can pay 50% contributions for 50% of pension benefit	Only topping up benefits available
Normal Pension Age (age benefits can be paid unreduced)	Equal to the individual members' State Pension Age (minimum age 65)	65
Qualifying period for entitlement to benefits	2 years	3 months
Earliest Retirement Age (the earliest age benefits can be paid without employer consent but with a reduction applied)	55	60

**LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 2013 AND THE LOCAL GOVERNMENT PENSION SCHEME
(TRANSITIONAL PROVISIONS AND SAVINGS) REGULATIONS 2014 – EMPLOYER DISCRETIONS**

REGULATION & DISCRETION	CURRENT POLICY UNDER 2008 REGULATIONS	POLICY RECOMMENDATION
<p><u>Shared-Cost Additional Pension Contribution Scheme</u></p> <p>Whether to operate a shared cost Additional Pension Contribution (SCAPC) Scheme to enable an active employee to purchase additional pension up to a maximum of £6,500 (value as at 1st April 2014).</p> <p><i>(Regulation 16 (2)(e) & 16 (4)(d))</i></p>	<p>Regulation 25 (3) of the 2008 Regulations permitted the Council to operate a shared cost AVC Scheme. The Council chose not to do this on grounds of cost.</p>	<p>The 2014 Regulations allow active members to make Additional Regular Contributions (ARCs) to purchase additional pension or Additional Voluntary Contribution (AVC) arrangements with Prudential to accumulate a pot of money to provide an additional pension and/or lump sum on retirement.</p> <p>Neither of these has any impact on the Council as they are voluntary and are open to all active members.</p> <p>It is recommended that the Council does not operate a shared cost Additional Pension Contribution (SCAPC) Scheme on grounds of the cost to the authority. This recommendation acknowledges that there are alternative ways of active members buying additional pension on a voluntary basis.</p> <p><i>Note: This discretion does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work to pay a SCAPC to cover the amount of pension 'lost' during that period of absence. This is because, in most cases, the Council must contribute 2/3 of the costs of the SCAPC under Regulation R 15 (5).</i></p>

REGULATION & DISCRETION	CURRENT POLICY UNDER 2008 REGULATIONS	POLICY RECOMMENDATION
<p><u>Flexible Retirement</u></p> <p>To allow some or all of the benefits to be paid if an employee reduces their hours or grade <i>(Regulation 30 (6) and 11(2) of the Transitional Regulations)</i></p> <p>To waive, in whole or part, actuarial reduction on benefits paid on flexible retirement <i>(Regulation 30(8))</i></p>	<p>Applications are considered on an individual basis through the normal approval process for early retirements, with decisions taking into account affordability and availability of skills.</p>	<p>This provision enables the Council to grant permission to an employee aged 55 or over to receive payment of the pension benefits they have built up and to continue to work for the Council with less pay. It gives the Council greater flexibility to achieve savings whilst supporting the retention and transfer of existing skills, together with preparation for an employee's run-down to retirement.</p> <p>Applications to be considered on an individual basis, following submission of a detailed business case which:</p> <ul style="list-style-type: none"> • in the case of a reduction in hours, demonstrates a saving in full employment costs • in the case of a transfer to another job pay protection will not apply and there must be a saving over the previous full employment costs within the measures created by the new arrangements <p>The business case will demonstrate how costs will be recovered over a maximum of a three year period and will also address the availability of skills, how these might be retained and shared within the authority and the impact on service provision.</p> <p>Where an application is approved the release of pension benefits accrued prior to 1 April 2008 must be released. However, the business case and cost analysis will determine whether all, part or none of the benefits accrued between 1 April 2008 and 31 March 2014 and also 1 April 2014 onwards are released and whether actuarial reduction will be applied to benefits taken before Normal Pension Age (NPA).</p>

REGULATION & DISCRETION	CURRENT POLICY UNDER 2008 REGULATIONS	POLICY RECOMMENDATION
		<p>Employees granted flexible retirement will be required to enter into a contractual agreement which means that they cannot subsequently be appointed to posts that would result in either an increase in hours or being paid at a higher grade within a 12 month period unless there are exceptional circumstances which justify the appointment.</p> <p><i>Note 1: NPA means the individual's state pension age at the time the employment is terminated, but with a minimum of age 65.</i></p> <p><i>Note 2: Where actuarial reduction is waived the Council would have to pay the cost of the early release of pension (strain cost) at the time of the reduction.</i></p> <p><i>Note 3: The Rule of 85 is a complex one, but in general terms it applies if a member voluntarily draws benefits before their NPA and they were a member of the LGPS on 30th September 2006, then some or all of their benefits could be protected from the actuarial reduction applied to benefits paid early. The Rule is satisfied if the member's age at the date they draw their benefits and their Scheme membership in whole years add up to 85 or more. If they are part-time their membership counts towards the 85 Year Rule at its full calendar length. Not all membership may count towards working out whether a member meets the 85 Year Rule.</i></p> <p><i>The Rule of 85 will automatically apply where the member has met the relevant criteria which means that no actuarial reduction can be applied and in these cases the Council would have to pay the cost of the early release of pension (strain cost) at the time of the reduction. Under the new Regulations flexible retirement is the only situation where this Rule automatically applies.</i></p>

REGULATION & DISCRETION	CURRENT POLICY UNDER 2008 REGULATIONS	POLICY RECOMMENDATION
<p><u>Ability to waive actuarial reduction where a member draws his/her benefits before their Normal Pension Age</u></p> <p>(a) To waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before Normal Pension Age</p> <p><i>(Regulation 30(8))</i></p>	<p>Regulation 30 allowed early payment of benefits between age 50 - 60).</p> <p>(i) Sympathetic consideration given to payment on strong compassionate grounds, e.g. where evidence shows that long-term care is being given to a dependent relative (solely dependent on the employee) and that this is likely to continue for many years. In such cases actuarial reduction is waived.</p> <p>(ii) Other cases of an exceptional nature are considered where circumstances may justify the use of this provision. In such cases actuarial reduction applies except where the '85 Year Rule' is met (where the sum of the age plus length of membership of the LGPS equals or exceeds 85) .</p>	<p>From 1st April 2014 an active member no longer needs to seek the agreement of the Council to terminate his/her employment and to take pension benefits from the age of 55.</p> <p>(a) The Council is able to exercise its discretion to waive actuarial reductions but the situation differs according to the classification of members for 85 Year Rule purposes and whether the release of pension is on compassionate grounds or for other reasons.</p> <p>It is recommended that applications be considered on an individual basis following submission of a detailed business case which sets out any justification for waiving the actuarial reduction in whole or in part. Where the business case recommends that the actuarial reduction be waived, savings which cover the cost of strain must be directly related to the post being vacated immediately and a recovery period of an absolute maximum of 3 years.</p> <p>Due to the potential costs of waiving actuarial reduction it is recommended that it be applied only on strong compassionate grounds e.g. where evidence shows that long-term care is being given to a dependent relative (solely dependent on the employee) and that this is likely to continue for many years. However, the cost of pension strain will be given significant relevance in reaching a decision.</p>

REGULATION & DISCRETION	CURRENT POLICY UNDER 2008 REGULATIONS	POLICY RECOMMENDATION
<p>(b) To “switch on” the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60</p> <p><i>(Transitional Regulations Schedule 2, Paragraph 2 (2))</i></p>		<p>(b) Protections provided by the ‘85 Year Rule’ will not <u>automatically</u> apply in full to retirement between 55 and 59, but this Regulation gives the Council the option to apply that Rule (as long as the criteria have been met), or ‘switch it on’, so that the position is no different to that which applied under the 2008 Scheme. If the Rule is switched on then the Council would be responsible for meeting any remaining strain on the Fund arising from the payment of benefits before age 60.</p> <p>This could be a mechanism to encourage members to retire early to help to achieve a balanced age profile within the workforce or to avoid possible redundancies later (which have greater associated costs).</p> <p>It is recommended that applications for the ‘85 Year Rule to be switched on be considered on an individual basis, following submission of a detailed business case (directly related to the post being vacated) which considers the relevant age profile and sets out the financial costs, seeking to recover the cost of strain through a saving in full employment costs which is achieved within a maximum 3 year period.</p>

REGULATION & DISCRETION	CURRENT POLICY UNDER 2008 REGULATIONS	POLICY RECOMMENDATION
<p><u>Waiving actuarial reduction on compassionate grounds</u></p> <p>Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits from pre 1 April 2014 membership where the 85 Year Rule has been “switched on “ for a member voluntarily drawing benefits on or after age 55 and before age 60.</p> <p><i>Transitional Regulations, Schedule 2, Paragraph 2 (3)</i></p>	<p>Regulation 30 allowed early payment of benefits between age 55 – 60:</p> <p>(i) Sympathetic consideration given to payment on strong compassionate grounds, e.g. where evidence showed that long-term care was being given to a dependent relative (solely dependent on the employee) and that this was likely to continue for many years. In such cases actuarial reduction was waived.</p> <p>(iii) Other cases of an exceptional nature were considered where circumstances may justify the use of this provision. In such cases actuarial reduction applied except where the ‘85 Year Rule’ was met.</p> <p>In (ii) above, anyone who could have met the ‘85 Year Rule’ by 31 March 2016 would receive unreduced benefits if at the date of termination the Rule had already been reached. A partial reduction could apply where the rule could have been met before 60 but had not yet been met at the date of retirement.</p> <p>Any additional cost to Pension Fund where the full actuarial reduction was not applied was reimbursed to the Pension Fund at the time the benefits come into payment.</p>	<p>The Council is able to exercise its discretion to waive actuarial reductions on compassionate grounds but the situation differs according to the classification of members for 85 Year Rule purposes.</p> <p>It is recommended that applications be considered on an individual basis following submission of a detailed business case which sets out the justification for waiving the actuarial reduction in whole or in part. Release should be agreed on strong compassionate grounds e.g. where evidence shows that long-term care is being given to a dependent relative (solely dependent on the employee) and that this is likely to continue for many years. However, the cost of pension strain will be given significant relevance in reaching a decision.</p> <p>This recommendation will apply equally to pre-2014 deferred members and suspended Tier 3 III Health Pensioners (including any who had had their benefits suspended prior to 1st April 2014) who are granted early release of their benefits.</p>

REGULATION & DISCRETION	CURRENT POLICY UNDER 2008 REGULATIONS	POLICY RECOMMENDATION
<p><u>Granting additional pension</u></p> <p>Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a.)</p> <p><i>(Regulation 31)</i></p>	<p>Under Regulation 13 of the 2008 Regulations it was possible to award additional pension to active members of the Scheme up to a maximum of £5,000 a year. The capital cost of awarding additional pension had to be paid to SCPF immediately it was granted.</p> <p>The Council did not adopt this discretion on grounds of cost and the availability of suitable alternatives</p>	<p>A decision to award additional pension can be made:</p> <ul style="list-style-type: none"> • in respect of an employee who is an active member of the Scheme, or • within 6 months of leaving employment if the reason for leaving was redundancy or business efficiency regardless of the minimum length of an employee's membership <p>This discretion could be used to attract a new employee through making the payment conditional on remaining in employment for a pre-determined period of time. It could also be used to retain employees as an incentive for them to remain in employment. This is likely to be a costly method of incentives to recruit or retain staff at a time when the organisation has to make changes to its organisational structure to achieve significant savings and recruitment and retention do not pose significant issues in the vast majority of posts.</p> <p>It could be used in lieu of awarding honoraria and would not incur employer NI contributions, although employees could not access the benefit until they are able to access their pension. This would, however, create additional administrative costs to the Council in implementing this option.</p> <p>It is possible to consider the award of additional pension 'by conversion'. This means that where a Scheme member is entitled to a payment on redundancy or efficiency grounds under the Discretionary Payments</p>

REGULATION & DISCRETION	CURRENT POLICY UNDER 2008 REGULATIONS	POLICY RECOMMENDATION
		<p>Regulations they can request that payments in excess of statutory redundancy (based on an actual week's pay) can be converted to an actuarially equivalent pension. However this has to be on an all or nothing basis. This would be at no financial detriment to the Council.</p> <p>It is recommended that requests for additional pension 'by conversion' from an active Scheme member when employment is terminated on redundancy or efficiency grounds are considered on an individual basis, provided that the award of additional pension would not exceed the statutory limit. Otherwise, the Council will not make use of this provision.</p> <p><i>Note 1: Extra pension purchased would be subject to actuarial reduction (other than in cases of ill health retirement), if extra pension is drawn before NRA, even on redundancy or efficiency grounds.</i></p> <p><i>Note 2: 'Conversion' could have tax implications if it takes an individual above the permitted Annual Allowance and it will also count towards the Lifetime Allowance.</i></p>

REGULATION & DISCRETION	CURRENT POLICY UNDER 2008 REGULATIONS	POLICY RECOMMENDATION																																				
<p><u>Contribution bandings</u></p> <p>Policy on re-banding of contributions. The new contribution bands from 1st April 2014 are:</p> <table border="1" data-bbox="189 573 678 862"> <thead> <tr> <th>Annual pay</th> <th>Contribution rate</th> </tr> </thead> <tbody> <tr> <td>Up to £13,500</td> <td>5.5%</td> </tr> <tr> <td>£13,501 – £21,000</td> <td>5.8%</td> </tr> <tr> <td>£21,001 – £34,000</td> <td>6.5%</td> </tr> <tr> <td>£34,001 - £43,000</td> <td>6.8%</td> </tr> <tr> <td>£43,001 - £60,000</td> <td>8.5%</td> </tr> <tr> <td>£60,001 - £85,000</td> <td>9.9%</td> </tr> <tr> <td>£85,001 - £100,000</td> <td>10.5%</td> </tr> <tr> <td>£100,001 - £150,000</td> <td>11.4%</td> </tr> <tr> <td>£150,001 or more</td> <td>12.5%</td> </tr> </tbody> </table> <p>These bands will be reviewed every 3 years to maintain an average contribution from employees of 6.5%.</p> <p><i>(Regulation 9)</i></p>	Annual pay	Contribution rate	Up to £13,500	5.5%	£13,501 – £21,000	5.8%	£21,001 – £34,000	6.5%	£34,001 - £43,000	6.8%	£43,001 - £60,000	8.5%	£60,001 - £85,000	9.9%	£85,001 - £100,000	10.5%	£100,001 - £150,000	11.4%	£150,001 or more	12.5%	<p>Regulation 55 (a) Once a contribution band has been allocated, it will be reviewed on 1st April each year and at such time as there is a change in contractual pay (either up or downwards). The Head of Human Resources will determine the detail of what is considered to be a change in contractual pay, having regard to the need to maximise the future employer contribution rates payable by the Council to support the viability of the Fund.</p> <table border="1" data-bbox="709 824 1134 1084"> <thead> <tr> <th>Annual pay</th> <th>Contribution rate</th> </tr> </thead> <tbody> <tr> <td>Up to £13,700</td> <td>5.5%</td> </tr> <tr> <td>£13,701 - £16,100</td> <td>5.8%</td> </tr> <tr> <td>£16,101 - £20,800</td> <td>5.9%</td> </tr> <tr> <td>£20,801 - £34,700</td> <td>6.5%</td> </tr> <tr> <td>£34,701 - £46,500</td> <td>6.8%</td> </tr> <tr> <td>£46,501 - £87,100</td> <td>7.2%</td> </tr> <tr> <td>More than £87,100</td> <td>7.5%</td> </tr> </tbody> </table>	Annual pay	Contribution rate	Up to £13,700	5.5%	£13,701 - £16,100	5.8%	£16,101 - £20,800	5.9%	£20,801 - £34,700	6.5%	£34,701 - £46,500	6.8%	£46,501 - £87,100	7.2%	More than £87,100	7.5%	<p>The definition of pensionable pay has changed and variable, non-contractual elements such as overtime payments are now pensionable. It is therefore important to ensure that employee contributions are collected accurately and that future increases in the Council's employer rate are not adversely affected through delays in re-assessing employee contribution bandings.</p> <p>Initially contribution bands have been allocated taking into account the following:</p> <ul style="list-style-type: none"> • Annual salary for the year commencing on 1st April, plus • Non-variable pensionable pay elements (e.g. allowances) paid during the previous year ending on 31st March, plus • Variable pay elements paid during the previous year ending on 31st March (e.g. honoraria payments, non-contractual overtime and additional hours paid to part-timers) <p>Employees who work under a Variable Hours Contract and Casual Employees were allocated to a band based on the payments they had received during the previous 12 month period. Where employees had less than 12 months service in post their earnings will be factored up to give an equivalent annual pay figure which will then determine a banding rate.</p> <p>The Council is required to reassess the appropriate band</p>
Annual pay	Contribution rate																																					
Up to £13,500	5.5%																																					
£13,501 – £21,000	5.8%																																					
£21,001 – £34,000	6.5%																																					
£34,001 - £43,000	6.8%																																					
£43,001 - £60,000	8.5%																																					
£60,001 - £85,000	9.9%																																					
£85,001 - £100,000	10.5%																																					
£100,001 - £150,000	11.4%																																					
£150,001 or more	12.5%																																					
Annual pay	Contribution rate																																					
Up to £13,700	5.5%																																					
£13,701 - £16,100	5.8%																																					
£16,101 - £20,800	5.9%																																					
£20,801 - £34,700	6.5%																																					
£34,701 - £46,500	6.8%																																					
£46,501 - £87,100	7.2%																																					
More than £87,100	7.5%																																					

REGULATION & DISCRETION	CURRENT POLICY UNDER 2008 REGULATIONS	POLICY RECOMMENDATION
		<p>and rate each April. In addition, it has the discretion to review the frequency of reassessment when pensionable pay changes.</p> <p>It is recommended that contribution bands be reviewed at the end of each month using the actual pay figure for the previous 12 month period and that any new contribution rate be applied to that month's pensionable pay. In addition, re-banding will take place following any contractual changes such as an increase or decrease in hours or move to another job.</p> <p>The frequency of re-banding to be reviewed by the Assistant Directors for Law, Democracy & People Services and Finance, Audit and Information Governance after a period of 12 months operation to ensure that a balance is kept between the administrative costs of monthly reviews and protecting the Council's future position in relation to employer contributions.</p>
<p><u>Other discretions under the 2014 Regulations which do not require a written policy</u></p>		<p>It is recommended that all other discretions under the Local Government Pensions Scheme Regulations 2013 and 2014 be considered on an individual basis, taking into account all relevant circumstances, with decisions being made on a workable, affordable and reasonable basis having regard to any foreseeable costs arising from the decision.</p>

LOCAL GOVERNMENT (EARLY TERMINATION OF EMPLOYMENT) (DISCRETIONARY COMPENSATION) REGULATIONS 2006 – EMPLOYER DISCRETIONS

REGULATION & DISCRETION	CURRENT POLICY	PROPOSED
<p>6. In cases of termination of employment on efficiency grounds, the Council has the discretion to make an enhanced severance payment.</p>	<p>In cases of efficiency termination or the ending of joint appointments, the statutory notice period (one weeks' notice for each year of continuous service with this Council, up to a maximum of 12 weeks pay) is used to determine entitlement and a multiplier of 3.75 applied, thereby resulting in a maximum payment of 45 weeks pay. This discretion was introduced to replace a previous provision in the pre-April 2006 Pension Regulations which enabled this to be awarded in lieu of added years</p>	<p>The current policy offers little flexibility and although only one case has been considered since 2008 it is now appropriate to review that policy to give greater flexibility in decision making.</p> <p>In cases of efficiency termination or the ending of joint appointments, it is recommended that individual decisions be made, following submission of a detailed business case, and that no more than 45 weeks be paid, subject to this not being greater than any equivalent redundancy payment.</p>

LOCAL GOVERNMENT (DISCRETIONARY PAYMENTS) (INJURY ALLOWANCES) REGULATIONS 2011

The purpose of these Regulations is to provide the Council with the opportunity to award an injury allowance to an employee where, in the course of carrying out his or her normal work, he/she sustains either an injury or contracts a disease. This can include travelling in a vehicle in connection with work-related business. The allowance applies to those employees who are entitled to be members of the Local Government Pension Scheme, whether or not they are active members of that Scheme.

There are four types of award:

- Loss of employment through permanent incapacity suffered as a result of the person's employment in which case they are entitled to an annual allowance which is at the sole discretion of the employer and is subject to deductions specified under the Regulations (which include benefits received under the Social Security Contributions and Benefit Act 1992 and any subsequent amendments to that Act, statutory rights to benefits or compensation, right to receive pension benefits and any damages recovered and any sum received by virtue of a contract of insurance). The maximum that may be awarded prior to any deductions is 85% of the employee's annual remuneration.
- A reduction in remuneration where as a result of the injury or disease a person suffers a reduction in pay (whether or not it is in the same employment) in which case they are entitled to an allowance which is at the sole discretion of the employer. The allowance, when added to their current pay, must not exceed the pay that would have been applicable if the injury or disease had not occurred.

Where the person in receipt of an injury award subsequently ceases employment and becomes entitled to a pension from the Local Government Pension Scheme and the level of pension falls short of what it would have been had the injury award payable been classed as pensionable remuneration, then the employer may pay an allowance which must not exceed the shortfall.

- Death benefits where a person dies as a result of injury or disease, that person's widow/widower/civil partner/nominated cohabiting partner shall be entitled to an annual allowance or a lump sum, and a dependant shall be

eligible for an annual allowance or a lump sum. An allowance in these circumstances is not subject to any maximum.

Since all employees eligible are offered access to the Local Government Pension Scheme which affords comprehensive cover for ill health and death in service and the Council has appropriate insurance cover, it is recommended that the Council considers claims in exceptional circumstances only, treating each case on an individual basis, taking into account all circumstances including any contributory negligence by the employee, in determining the amount of any award to be made. Any award made will be reviewed on a regular basis, to determine whether there has been a material change in the degree of incapacity or the person's financial situation, and at the individuals' normal retirement age.

Each decision will be made by the Assistant Director: Law, Democracy and People Services under delegated authority, following consideration of a detailed report which includes documentary evidence and an opinion from an Independent Registered Medical Practitioner. Each decision will be made on the basis that it is affordable and reasonable, having regard to the foreseeable costs. Rights of appeal will be in accordance with any statutory legislation at the point that a claim is made.