

## **Appendix A**

### **DRAFT Maidstone Borough Council Policy and Procedural Issues Local Government Scheme Regulations Employer Discretions**

This paper confirms the pension policy of Maidstone Borough Council as it relates to the exercise of discretions contained in the Local Government Pension Scheme Regulations 1997 (as amended), the Local Government Pension Scheme (Administration) Regulations 2007<sup>1</sup> and the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007<sup>2</sup>. Last updated 2010.

- **Regulation 4 (1) (a)** <sup>2</sup>

The calculation of pensionable pay will include basic annual salary plus any other pensionable salary items from the following categories – Market Supplement/Premium, Contractual Overtime, Contractual Bonus, Honorarium of greater than 12 month period, Salary Supplement eg for Emergency Planning responsibilities. The pensionable pay will be reviewed annually with effect from 1<sup>st</sup> April to identify the appropriate Band and Contribution percentage. If the Pay Award is not made on 1<sup>st</sup> April and the review of contribution rates will be delayed until the award is applied.

- **Regulation 11(2)** <sup>2</sup>

Where a scheme member's pensionable pay consists of fees, it is the policy of Maidstone Borough Council that, if this produced a higher figure, an average of all such fees for any 3 consecutive years ending 31 March within the period of 10 years ending with the last date of active membership may be used in the calculation of benefits.

- **Regulation 12 and 13** <sup>2</sup>

It is the policy of the Borough Council only to grant extra pension scheme membership to employees where there is a proven total benefit to the organisation which includes any costs that might be borne by the authority. Any such granting of extra scheme membership needs to be agreed between the Head of Human Resources and the relevant Director. Additional service will not be granted in respect of pre April 1972 service, which at the point of retirement has not been up rated.

- **Regulation 16 (4)ii** <sup>1</sup>

If a scheme member wishes to aggregate the most recent of their periods of previous scheme membership with their current membership, it is the policy of Maidstone Borough Council that the election must be made within 12 months of the Pension Section of Kent County Council being notified that the employee has again become an active member. If the 12 month period has elapsed then the member may make a case for any exceptional circumstances to be considered by the Head of Human Resources, the Head of Finance and the relevant Director.

- **Regulation 18(1)** <sup>2</sup>

It is Maidstone Borough Council's policy to only provide consent for flexible retirement and the immediate payment of benefits where there is no detrimental effect on the service. Any such consent requires the agreement of the Director of Human Resources and the relevant Director.

- **Regulation 18(3)**<sup>2</sup>

If consent has been given under Regulation 18(1), it is not Maidstone Borough Council's policy to waive, in whole or part, any actuarial reduction to the scheme member's benefits.

- **Regulation 22(2)**<sup>1</sup>

Employees who have the option to pay contributions in respect of a period of unpaid absence must elect to do so within 30 days of the date of the notice issued to them by the Human Resources Section stating the amount of contributions to be paid. This time limit may be extended by the Head of Human Resources if the employee can demonstrate exceptional circumstances so as to justify an extension of time.

- **Regulation 25(3)**<sup>1</sup>

It is not the current policy of the Borough Council to operate a shared cost Additional Voluntary Contribution Scheme for employees. However, this policy will be reviewed from time to time by the Head of Human Resources in conjunction with the Chief Finance Officer, subject to Member's approval.

- **Regulation 30(2) and (5)**<sup>2</sup>

It is not the policy of the Borough Council to give consent to the immediate payment of benefits to employees under this regulation unless there is a demonstrable benefit to the organisation which would take full account of any extra costs to be borne by the Authority. In circumstances where a request is made for an early payment of a deferred benefit this is unlikely to be granted except in the most extreme cases of hardship. Any such consent shall be agreed by the Head of Human Resources and the relevant Director taking account of all the details involved in the case.

Where a scheme member has previously been awarded a preserved benefit, it is not generally the policy of Maidstone Borough Council to give consent under this regulation to the early payment of benefits. However each request will be considered and full account taken of any costs to be borne by the authority. Any consent shall be agreed by the Head of Human Resources and the relevant Director taking account of all the details involved in the case.

Where consent is given on the grounds of compassionate circumstances, full consideration must be given to the Kent County Council guidelines, and only after agreement between the Head of Human Resources and the relevant Director. In compassionate circumstances the Borough Council will be responsible for any additional costs deriving from the decision to release benefits prematurely.

- **Regulation 83(8)**<sup>1</sup>

If a scheme member wishes to transfer any pension benefits they have built up in other schemes to the Local Government Pension Scheme, it is the policy of Maidstone Borough Council that the election must be made within 12 months of the Pension Section being notified that the employee has become an active member of the Kent Scheme. If the 12 month period has elapsed then the member may make a case for any exceptional circumstances to be considered by the Head of Human Resources, the Head of Finance and the relevant Director.