

Report to: Governance Committee

10 March 2025

LGPS Employer Discretions

Report by: Director of Human Resources & Organisational Development

Electoral divisions: N/A

Summary

This report sets out the recommended approach on discretions available to the County Council as an employer under the Local Government Pension Scheme following a scheduled review.

Recommendation

That the matters of clarity notes in section 2 are noted and the proposed Employer Discretions Policy, as set out in Appendix 1, be approved.

Proposal

1 Background and context

1.1 The Local Government Pension Scheme (LGPS) Regulations define the details of the scheme for members, employing authorities and the administering authority (West Sussex County Council). West Sussex County Council, as an employing authority of members of the LGPS, has discretion over various elements of the pension scheme and is required to publish and keep under review a statement of policy on specific discretions.

2 Proposal details

- 2.1 Following a review of the current Employer Discretions Policy, which was last approved by the Governance Committee in 2019, the following minor amendments are proposed:
- a) The format of the discretions policy has been changed. The 2019 policy (Appendix 2) was structured as frequently asked questions. This review aligns the policy with the approach used by many other local authorities and other employers within the West Sussex LGPS.
 - b) With regard to Shared Cost Additional Voluntary Contributions Scheme, detail relating to the limits and circumstances applicable have been added (discretion 1.2 in Appendix 1).
 - c) Clarity has been added regarding waiving the actuarial reduction of benefits paid early for pensioner members with deferred benefits (discretion 1.5 in Appendix 1).

- 2.2 A presentational change in the policy is also proposed. Much of the detail relating to how the employer discretions are exercised, for example approval processes, is contained in employment policies. Where this occurs, it is proposed to link to these documents in the LGPS Employer Discretions Policy rather than repeating the detail in multiple documents. This will avoid the risk of accidental misalignment between documents and make for more efficient document management.

3 Other options considered (and reasons for not proposing)

- 3.1 Not applicable.

4 Consultation, engagement and advice

- 4.1 Not applicable.

5 Finance

- 5.1 There are no financial implications arising from the proposed.
- 5.2 The LGPS Employers Discretions Policy provides clarity on how discretionary decisions are made and approved where there are potential financial implications providing transparency in the County Council's approach to LGPS decision making and value for money.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Failing to maintain written discretions in line with LGPS requirements risks misapplication of the scheme rules, unclear decision making and complaints from scheme members.	Regular review, publication and maintenance of the Employer Discretions Policy and related employment policies as indicated in the report the addresses these risks.

7 Policy alignment and compliance

- 7.1 The County Council is required to have in place a written statement regarding the LGPS Employers Discretions and to keep this under review, which is achieved through reporting to the Governance Committee.

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Appendices

Appendix 1: Proposed LGPS Employer Discretions Policy

Appendix 2: LGPS Employer Discretions Policy Published 2017

Background papers: None