

Appendix A - Statement of Policy about Exercise of Discretionary Functions

*Extract from The Local Government Pension Scheme Regulations 2013 //
Regulation 60*

1. A Scheme employer must prepare a written statement of its policy in relation to the exercise of its functions under regulations—
 - a) 16(2)(e) and 16(4)(d) (funding of additional pension);
 - b) 30(6) (flexible retirement);
 - c) 30(8) (waiving of actuarial reduction); and
 - d) 31 (award of additional pension),and an administering authority must prepare such a statement in relation to the exercise of its functions under regulation 30(8) in cases where a former employer has ceased to be a Scheme employer.
2. Each Scheme employer must send a copy of its statement to each relevant administering authority before 1st July 2014 and must publish its statement.
3. A body required to prepare a statement under paragraph (1) must—
 - (a) keep its statement under review; and
 - (b) make such revisions as are appropriate following a change in its policy.
4. Before the expiry of a month beginning with the date any such revisions are made, each Scheme employer must send a copy of its revised statement to each relevant administering authority, and must publish its statement as revised.
5. In preparing, or reviewing and making revisions to its statement, a body required to prepare a statement under paragraph (1) must have regard to the extent to which the exercise of the functions mentioned in paragraph (1) in accordance with its policy could lead to a serious loss of confidence in the public service.
6. In this regulation a relevant administering authority in relation to a Scheme employer, is any authority which is an appropriate administering authority for that employer's employees.

Statement of Policy about Exercise of Discretionary Functions

Under the LGPS Regulations, the Administering Authority has a number of discretions.

Whilst the Constitution sets out the responsibility for functions, this discretions document sets out the onward delegation and practice.

The description of discretions have been set out in the table below with references to supporting documents where applicable.¹

All pension discretions will be reviewed at least on a four yearly basis, or as and when circumstances change.

¹ R – LGPS Regulations 2013 / TP –Transitional Provisions 2014/ A – Administration Regulations 2007 / B – Benefit Regulations 2007 / T – Transitional Regulations 2008/ L – LGPS Regulations 1997/ -LGPS Regulations 1995

Regulation No- Description of discretion	WSSC practice/discretion
R5(5) & Schedule 2 Part 3, para 1 Whether to agree to an admission agreement with a body applying to be an admission body	Agreement to Admission for an admission body is the delegated responsibility of the Chief Finance Officer. The Scheme of Delegation can be found in the WSSC Constitution.
R Schedule 2, Part 3, paragraph 12(a) Define what is meant by “employed in connection with”	The fund defines ‘Employed in connection with’ as meaning “employed solely or mainly (i.e. more than 50% of their time) in the management or delivery of such services as are set out in the Contract”.
R4(2)(b) Whether to agree to an admission agreement with a Care Trust or NHS Scheme employing Authority	NHS staff (Public Health) retain right to participate in the NHS Pension Scheme, so it is unlikely the Administering Authority will need to exercise this discretion. Admission, if required, will be subject to agreement by the Chief Finance Officer. The Scheme of Delegation can be found in the WSSC Constitution.
R Schedule 2, Part 3 para 9(d) Whether to terminate an admission agreement in the event of <ul style="list-style-type: none"> • insolvency, winding up or liquidation of the body • breach by that body of its obligations under the admission agreement • failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so 	The Fund reserves the right to terminate any admission agreement (Community or Transferee) if the Admission Body is in breach of its obligations. This includes insolvency and failure to pay contributions. This right is explicitly included in all admission agreements.
R54(1) Whether to set up a separate admission agreement fund.	The Administering Authority does not currently operate any separate admission agreement funds. Any proposal to create an admission agreement fund will be subject to discussion between officers and the Fund actuary.
R64(4) Whether to obtain a revision of a employer’s contribution rate if there are circumstances which make it likely a Scheme employer will become an exiting employer.	The Fund requires that a revised rates and adjustment certificate is obtained in anticipation of the termination of an admission agreement (community or transferee) or where a scheduled body is likely to cease.
R64 (2A) Whether to issue a written notice (“a suspension notice”) to an exiting employer to suspend payment of an exit payment for a period of up to 3 years.	The Fund would look to issue a written notice (“a suspension notice”) subject to discussion between officers and the Fund actuary, where it is reasonable to assume that an exiting employer will have one or more active members commence contributions to the Fund, within 3 years.
R65 Decide whether to obtain a new rates and adjustment certificate if the Secretary of State amends the Benefits Regulations as part of the ‘cost sharing’ under R63	The Fund may require that a reassessment is carried out when a change to the underlying benefits occurs in the inter-valuation period. The Fund reserves the right to obtain a new rates and adjustment certificate subject to discussion with officers and the Fund actuary.
R68(2)	The Administering Authority’s requires employers to make upfront

Regulation No- Description of discretion	WSSC practice/discretion
<p>Whether to require any strain on Fund costs to be paid "up front" by employing authority following payment of benefits under R30(6) (flexible retirement), R30(7) (redundancy/business efficiency), or the waiver (in whole or in part) under R30(8) of any actuarial reduction that would otherwise have been applied to benefits which a member voluntarily draws before normal pension age or to benefits drawn on flexible retirement.</p> <p>TP Schedule 2, para 2(3) Whether to require any strain on Fund costs to be paid 'up front' by employing authority following flexible retirement under R30(6) or waiver of actuarial reduction under TP schedule 2, para 2(1) or release of benefits before age 60 under B30 of B30A</p> <p>R80(5) Whether to require any strain on Fund costs to be paid 'up front' by employing authority following early voluntary retirement of a councillor, or early payment of a deferred benefit on health grounds or from age 50 with employer consent (pre 1.4.08 leavers)</p>	<p>payment of strain charges following any decision to allow early payment of benefits (other than ill health). An employer can request to pay instalments over a three year period, but this would be by exception. Chief Finance Officer to agree exceptions to the current practice.</p>
<p>R69(1) Decide frequency of payments to be made over to Fund by employers and whether to make an administration charge</p>	<p>Employer contributions payments are due monthly by 19th of the month (22nd if electronic) following deduction. Employer contribution rates include an element to cover administration expenses. This is referred to in the Fund's Funding Strategy Statement.</p>
<p>R69(4) Decide the form and frequency of information to accompany payments to the Fund</p>	<p>Employer (or their payroll bureau) must provide monthly remittance to Financial Services along with their payment and complete a quarterly confirmation. All employers have been notified of this requirement.</p>
<p>R70 & TP22(2) Whether to issue employers with a notice to recover additional costs incurred as a result of the employer's level of performance</p>	<p>The Administering Authority does not currently issue employers with a notice to recover additional costs incurred as a result of an employer's level of performance. The Administering Authority will work with employers to improve performance but if additional and disproportionate resources are deployed because of an employer's poor performance, the cost of the additional resources may be re-charged. The right to raise a charge will be as agreed by the Chief Finance Officer on a case by case basis.</p>
<p>R71(1)</p>	<p>The Administering Authority will charge interest as defined in regulation</p>

Regulation No- Description of discretion	WSSC practice/discretion
Whether to charge interest on payments by employers overdue by more than 1 month	71 on late payments, except in exceptional circumstances.
<p>R36(3) Approve medical advisors used by employers (for ill health benefits)</p> <p>A56(2) Approve medical advisors used by employers (for early payment, on grounds of ill health, of a deferred benefit or suspended Tier 3 ill health pension)</p> <p>L97(10) Approve medical advisors used by employers (re: ill health benefits for councillors and pre 1.4.08 preserved benefits payable on health grounds)</p>	<p>Each employer appoints their own medical advisor based on required qualifications and the certificate wording confirms the doctor has the required qualifications.</p> <p>The Administering Authority requires employers to provide details of medical advisors used for assessing entitlement to ill health benefits and will liaise with any employer who is using a medical advisor of which the Administering Authority does not approve.</p> <p>This will be captured through the retirement process.</p>
<p>R79(2) & A63(2) & L105(1) Whether the administering authority should appeal against employer decision (or lack of a decision)</p>	This is considered on a case by case basis.
<p>R58 Decide on Funding Strategy for inclusion in Funding Strategy statement</p>	<p>The Funding Strategy is prepared, maintained and published in accordance with the Regulations.</p> <p>The Funding Strategy is consulted on by employers and approved by the Fund's Pensions Panel</p> <p>The Funding Strategy Statement is published on the Funds web pages.</p>
<p>R61 Communication policy must set out the policy on provision of information and publicity to, and communicating with, members, representatives of members, prospective member and Scheme employers; the format, frequency and method of communications; and the promotion of the Scheme to prospective members and their employers.</p>	<p>The Communication policy is prepared, maintained and published in accordance with the Regulations and circulated to employers.</p> <p>The Communications Policy is published on the Funds web pages.</p>
<p>R59(1) & (2) Whether to have a written pensions administration strategy and, if so, the matters it should include</p>	<p>A Pension's administration strategy has been prepared, maintained and published in accordance with the Regulations.</p>
<p>R76(4) and A60(8) & L99 Decide procedure to be followed by Administering Authority when exercising its stage two Internal Dispute Resolution Procedure (IDRP) functions and decide the manner in which those functions are to be exercised.</p>	<p>Any stage two IDRP applications will be referred to the nominated person, Head of Law & Assurance, to provide a report on the appropriateness of the stage one decision. This report will be considered by the administering authority when making a determination under stage two.</p> <p>A copy of the IDRP and application form is published on the Funds web pages.</p>

Regulation No- Description of discretion	WSSC practice/discretion
<p>TP3(13), A70(1), A71(4)(c) & T12 & L109, L110(4)(b) Decide policy on abatement of pensions following re-employment</p>	<p>The Administering Authority will not abate pension (reduce or suspend) for any re-employment starting after 4th March 2019. Pensions already abated at this date will continue to be abated until the re-employment ends.</p>
<p>R80(1)(b) & TP 22(1) & A64(1)(b) Specify information to be supplied by employers to enable the Administering Authority to discharge its functions</p>	<p>The Administering Authority will specify the standard information and actions required by employers, their format, frequency and level of accuracy in our Employer's Guide and Administration Strategy.</p>
<p>R89(5) & 106A(5) Date to which benefits shown on annual benefit statement are calculated</p>	<p>Benefits in the Annual Benefit Statement will be as at 31 March each year.</p>
<p>R98(1)(b) Agreement to bulk transfer payments</p>	<p>Bulk transfer terms will be negotiated and agreed on a case by case basis in consultation with the Fund Actuary and the Scheme employer.</p>
<p>R22(3)(c) Pension account may be kept in such form as is considered appropriate</p>	<p>Hampshire Pension Services, on behalf of the Administering Authority maintain pension accounts on their UPM administration system. The Administering Authority in partnership with Hampshire Pension Services will decide the form in which pension accounts are kept based on any published guidance, best practice and in an efficient manner. Appropriate measures are in place to ensure the administration system meets the requirements of the regulations.</p>
<p>31(2) Agree to pay annual compensation on behalf of employer and recharge payments to employer</p>	<p>The Administering Authority will pay annual compensation and recharge the payments on a monthly basis. Appropriate quarterly reconciliation measures are in place to ensure that the recharge takes place.</p>
<p>R100(7) Allow the transfer of pension rights into the Fund</p> <p>R100(68) Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS</p>	<p>The Pension Fund will usually allow transfers from Club and Non Club Schemes² provided that the application is made within 12 months of joining the Scheme.</p> <p>The 12 month time limit may be extended in agreement with the Principal Pension Consultant (Administration & Employers) and the employer if it is clear that you were unable to meet the normal time period due to circumstances beyond your control.</p>

² Transfer Club is a network of public sector pension schemes generally providing membership credits of equivalent lengths when a member transfers between them. Personal pension plans not provided by companies in the Transfer Club are rarely of an equivalent length and can vary greatly from scheme to scheme.

Regulation No- Description of discretion	WSCC practice/discretion
<p>TP10(9) Decide, in the absence of an election from the member within 12 months of ceasing a concurrent employment, which ongoing employment benefits from the concurrent employment which has ceased should be aggregated (where there is more than one ongoing employment)</p>	<p>The Administering Authority will aggregate with the earliest remaining employment.</p>
<p>R16(10) Whether to require a satisfactory medical before agreeing to an application to pay an Additional Pension Contribution (APC) or Share Cost Additional Pension Contribution (SCAPC)</p> <p>Whether to turn down an application to pay an APC/SCAPC if not satisfied that the member is in reasonably good health.</p>	<p>A satisfactory medical report by a registered medical practitioner is required. The report should detail whether in their opinion the member is in reasonably good health to undertake APC/SCAPC's. If this is not satisfied then the application to pay an APC/SCAPC will be turned down. All costs incurred to establish that a member is in reasonably good health to undertake APC/SCAPC's are at the member's expense. Members are advised of this requirement on the Fund's website.</p>
<p>R16(1) Whether to turn down a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is very small and could be paid as a single payment)</p>	<p>The Administering Authority has not set a minimum payment threshold.</p>
<p>TP15(1)(d) & A25(3) Whether to charge member for the provision of an estimate of additional pension that would be provided by the Scheme in return for the transfer of in house Additional Voluntary Contribution / Shared Cost Additional Voluntary Contribution (AVC/SCAVC) funds (where AVC/SCAVC arrangement was entered into before 1/4/14)</p>	<p>The Administering Authority charges for estimates in accordance with its Pension Administrators estimates policy https://www.hants.gov.uk/hampshire-services/pensions/local-government/employers/forms</p>
<p>TP15(1)(c) & T schedule 1 & L83(5) Extend time period for capitalisation of added years contract</p>	<p>The Administering Authority will not extend the time limit for applications to pay off added years contracts.</p>
<p>A45(3) & L89(3) Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits</p>	<p>Outstanding employee contributions will be recovered by deduction from benefits as agreed by the Principal Pension Consultant (Administration & Employers).</p>
<p>R32(7) Whether to extend the time limits within which a member must give notice of the wish to draw benefits before normal pension age or upon flexible retirement</p>	<p>This is considered on a case by case basis, as agreed with the Principal Pension Consultant (Administration & Employers).</p>
<p>R49)1)(c) & B42(1)(c) Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more</p>	<p>Considered on a case by case basis, with generally the most advantageous option taken as this would be chosen by the member</p>

Regulation No- Description of discretion	WSSC practice/discretion
regulations in respect of the same period of Scheme membership	
R34(1) & B39 & T14(3) & L49 & L156 Decide whether to commute small pension	The Administering Authority would look to commute a small pension, as calculated under the regulations and within HMRC limits.
L50 & L157 Commute benefits due to exceptional ill-health (councillor members, pre 1.4.08 leavers and 1.4.08 Pension Credit members)	The Administering Authority would provide the member with the option to commute where appropriate.
TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & B10(2) & E8 Where member to whom B10 applies (use of average of 3 years pay for final pay purposes) dies before making an election, whether to make that election on behalf of the deceased member	The most advantageous figure is applied as this would be chosen by deceased member.
L22(7) Select appropriate final pay period for deceased non-councillor member (leavers post 31.3.98/pre 1.4.08)	The most advantageous figure would be used as this would be chosen by deceased member.
TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & T Schedule 1 & L23(9) Make an election on behalf of a deceased member with a certificate of protection of pension benefits (i.e. determine the best pay figure to use in the benefit calculations (pay cuts/restrictions occurring pre 1 April 2008))	Considered on a case by case basis, with generally the most advantageous option taken as this would be chosen by the member
TP17(5) to (8), R40(2), R43(2), R46(2) & B23(2), B32(2), B35(2) & T Schedule 1 & L155(4) Decide to whom a death grant is paid	<p>Where it is clear, having taken account of all the circumstances, payment is taken in accordance with the member's expression of wish. If no wish has been made, then payment is made to the legal spouse, cohabiting partner or civil partner following receipt of Grant of Probate or Form of Indemnity.</p> <p>Where there is any doubt this is delegated to the Principal Pension Consultant (Administration & Employers).</p>
R82(2) & A52(2) & L95 Whether to pay death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than amount specified in s6 of the Administration of Estates (Small Payments) Act 1965	The Administering Authority will pay death grants that are under the amount specified in the Administration of Estates (Small Payments) Act 1965 without the need for grant of probate/ letters of administration.
R17(12) Decide to whom any AVC/SCAVC monies (including life assurance monies) are to be paid on death of the member	Where it is clear, having taken account of all the circumstances, payment is made in accordance with the member's expression of wish. If no wish has been made, then payment is made to the legal spouse, cohabiting partner or civil partner.

Regulation No- Description of discretion	WSCC practice/discretion
	Where there is any doubt this is delegated to the Principal Pension Consultant (Administration & Employers) or Probate obtained.
R83 & A52A Whether, where a scheme pensioner (including an eligible child) is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit	The Fund will pay benefits to the person having care of the scheme pensioner or eligible child, or such other person as they may determine where the scheme pensioner or eligible child is incapable of managing his or her affairs as agreed by the Principal Pension Consultant (Administration & Employers).
B27(5) & L47(2) & G11(2) Whether to pay the whole or part of a child's pension to another person for the benefit of that child	The Fund will pay benefits to the child's legal guardian or such other person as they may determine where the child is under the age of 18 or where it can clearly be identified that it would be in the child's best interests when they are over the age of 18, as agreed by the Principal Pension Consultant (Administration & Employers).
L47(1) & G11(1) Apportionment of Children's pension amongst eligible children (children of pre 1.4.98 retirees/pre 1.4.98 deferreds)	Eligible children's pensions will be paid on an equal share basis.
R Schedule 1 & TP17(9) Decide to treat child as being in continuous education or vocational training despite a break	The Fund will treat the child being in continuous education or training despite a break.
R Schedule 1 & TP17(9)(b) & B25 Decide evidence required to determine the financial dependence of a cohabiting partner on scheme member or financial interdependence of a cohabiting partner and scheme member	Considered on a case by case basis, taking consideration of LGPS Regulation requirements and advice from the Council's Legal Services team.
F7(1) Suspension of spouses' pensions during re-marriage or cohabitation	Spouse's pensions are not ceased on re-marriage or cohabitation but are payable for life. This was introduced to equalise benefits for those members leaving active service after 31 March 1998.
L147 How to discharge Pension Credit liability	The Administering Authority will discharge its liability by granting pension credit rights on the person entitled to the pension credit.