

## APPENDIX 1

### All Members of the Local Government Pension Scheme

In my letter dated March 1998, I advised all members that the Council would need to consider discretion's under the new regulations and publish a policy ad publish a policy on the same.

Following a meeting of the Policy & Resources Committee, 2<sup>nd</sup> April 1998 and in accordance with Regulation 106 of the Local Government Pension Scheme (LGPS) Regulations 1997, I have outlined below the Council's Mandatory Policy Statement relating to discretion's under the LGPS 1997 and LGPS (Transitional Provisions) Regulations 1997.

### London Borough of Harrow's Policy Statement

#### Regulation 9 (3) & (6) LGPS (Transitional Provision) Regulations 1997

**Explanation**- The Council must resolve that all female members with a contract to purchase additional widowers' cover (in respect of all or part of their membership before 6 April 1988) will be treated as if their contract has been completed in full on 31 March 1998 and without any further cost.

**Policy** - The Council has resolved that from 1 April 1998, female members with a contract to purchase additional widowers' cover will have that part of the contract which related to any period of LGPS membership from 1 April 1972 to 5 April 1988 treated as completed in full.

However, any part of the contract which relates to membership before 31 March 1972 will remain in force and contributions are payable.

#### Regulation 9 (4) & (6) LGPS (Transitional Provision) Regulations 1997

**Explanation** - The Council may resolve that all female members without a contract to purchase additional widowers' cover (in respect of all or part of their membership before 6 April 1988) may be treated as if they has a contract and had completed it in full on 31 March 1998.

**Policy** - The Council has resolved that for the purpose of calculating widowers' pensions, all married female members on 1 April 1998, with membership between 1 April 1972 and 5 April 1988, will be deemed to have made an election and will therefore receive free widowers' cover for that period.

The Council has also resolved that for purposes of calculating widowers' pensions all unmarried female members on 1 April 1998 and still in membership on the date of any subsequent marriage will be treated in the same way as those who were married on 1 April 1998.

### **Regulation 31 LGPS Regulation 1997 (Voluntary Early Retirement)**

**Explanation-** Members (including those who became deferred members from 1 April 1998) aged 50 and over, but before normal retirement age who are entitled to retirement benefits, have the right to apply for early payment of those benefits subject to the consent of their employer. Members aged 60 and over who were members on 31 March 1998 and have been in continuous membership since 1 April 1998 do not need their employer's consent. (If a member's age and membership in whole years equal less than 85, reduced benefits would be payable)

**Policy-** For active members, the Council has resolved to excise this discretion in principle. For deferred members, the Council has resolved to exercise its discretion in cases where there is no financial disadvantage to the council.

The Council has requested that a report be submitted to the next meeting of the personnel sub-Committee with guidelines to assist the Council in achieving fairness and consistency, in applying this regulation.

### **Regulation 52 LGPS Regulation 1997 (Power of Employing Authority to Increase Total Membership of Members Leaving Employment at or after age 50).**

**Explanation-** The Council has the discretion to resolve to increase scheme membership on termination of employment for members' aged 50 and over.

**Policy -** The Council has resolved that it should not, at the present time, award extra periods of membership in accordance with this regulation.

**Note:** This regulation **does not** affect the Council's current policy relating to early retirement grounds of ill- health, Redundancy or Efficiency.

### **Regulation 53 LGPS regulations 1997 (Power of Employing Authority to Increase Total Membership of New Members).**

**Explanation-** The Council has the discretion to resolve to increase a members' period of membership before the expiry of 6 months from when membership commenced.

**Policy-** The Council is not currently having difficulty in recruiting and retaining employees and therefore, will not apply this discretion, at this time.

### **Regulation 67 LGPS Regulation 1997 (Establishment of shared Cost Additional Voluntary Contribution Scheme (SCAVC)).**

**Explanation-** The Council may resolve to establish and maintain a Shared-Cost Additional Voluntary Contribution Scheme (SCAVC).

**Policy**- The Council resolved not to apply this discretion, as there was already provision within the regulations for scheme members to increase their benefits.

**Regulation 15 LGPS 1997 (Reduction/Waiver of an employee's contribution).**

**Explanation**- The London Borough of Harrow have the discretion to resolve to reduce or waive an employee's standard contribution once the employee has completed 40 years' scheme membership in Local Government employment.

**Policy**- The London Borough of Harrow resolved to apply this discretion in principle, subject to a specific resolution being made in each case and that the scheme actuary determines the appropriate contribution rate to apply.

## **FOR INFORMATION**

### **Members of the Local Government Pension Scheme**

Following Executive Action, I have outlined below the Council's Mandatory Policy Statement relating to discretion's under The Local Government (Discretionary Payments) (Amendment) Regulations 1999.

### **London Borough of Harrow's Policy Statement**

#### **Part II- Increase of 1978 Act Redundancy Payments**

**Background** – The Council, empowered by The Local Government (Compensation for Premature Retirement) Regulation 1984, has, for the past 15 years, based redundancy payment on an employee's actual weekly pay as opposed to applying the statutory limit.

**Policy** – The Council resolved to continue to base redundancy payments on employee's actual pay, as defined in Chapter II of part XIV of the Employment Rights Act 1996.

#### **Part III- Compensation for Premature retirement**

**Background**- The Personnel Sub- Committee (July 1998 & 9 December 1998) and the Education, Arts and Leisure Committee (12 January 1999) considered detailed reports on the Early Retirement Scheme. The Council agreed to restrict the maximum award to 6 years 243 days, payable under the Local Government (Discretionary Payments) regulations 1996.

**Policy** – The Council has resolved to continue to apply its discretion in line with the recommendations made by both the personnel Sub and Education, Arts and Leisure Committees.

#### **Part IV – Compensation for Redundancy where Part III does not apply**

**Background** – The Council at its meeting of the Policy and Resources Committee 11 April 1995, adopted Part II of the Local Government (Compensation for redundancy) Regulations 1994. The purpose of the Regulations was to afford the Council an additional discretion when calculating redundancy payments for non-teaching employees under the age of 50 years. Application was restricted to employees in post, with ongoing continuous service, as at 31 March 1995.

**Policy** - The Council has resolved to continue to apply its discretion in line with the recommendation made by the Personal and Resources Committee.

### **Regulation 5**

**Background** – The Council currently applies a policy of awarding a credited period (i.e. compensatory added years) to employees retired on grounds of redundancy. (Award is subject to employee meeting qualifying conditions).

The 1999 Regulation introduce a new discretion, allowing the Council to award a single compensatory lump sum, in place of a credited period, to an eligible employee over 50 years old.

**Policy** - The Council has resolved that it should not, at the present time, adopt this discretion.