

NORTHAMPTON BOROUGH COUNCIL

LOCAL GOVERNMENT PENSION SCHEME

STATEMENT OF DISCRETIONS – 1 April 2008

Northampton Borough Council has decided to adopt the following discretions under the Local Government Pension Scheme (LGPS)

1. Reduction or Elimination of Employees Contribution After 40 Years Service
The Council has decided not to exercise its discretion to allow employees to pay no or reduced levels of contribution when they have reached 40 years local government service. Employees will therefore pay contributions for the whole of their period of service.

2. Early Retirement Under Regulation 31
The Council will permit retirement from age 50 without actuarial reduction where the Council's criteria for early retirement on the grounds of efficiency of the service are met and a business case identifies how the cost associated with early release will be met, and to the extent such retirement is permitted notwithstanding the abolition of the Rule of 85 and associated transitional arrangements.

To the same permitted extent, the Council will permit retirement from age 55 without actuarial reduction on compassionate grounds.

Service enhancements do not apply to retirements under Regulation 31.

3. Increase in Membership on Cessation of Employment
The Council has decided in line with the Audit Commission's current view, it will only exercise its discretion to allow additional augmented service in exceptional, case by case, circumstances and will objectively justify and record the decisions made in any such case.

4. Compassionate Grounds
The Council may permit active members and deferred beneficiaries the right to retire from age 55 on compassionate grounds without reduction. The Council defines compassionate grounds as; where an active member or deferred beneficiary needs to care full time for a close relative, spouse, partner or other dependant who, through illness, requires full time or substantial care for the rest of their life expectancy which is anticipated to be in excess of 12 months from the date of the agreed medical advice.

5. Increase in Membership on Commencement of Employment
The Council has decided not to exercise its discretion in this area.

6. Flexible Retirement
The Council has decided not to exercise its discretion in this area.
7. Shared Cost Additional Voluntary Contribution Scheme (SCAVC)
The Council has decided not to exercise its discretion in this area.
8. Award of Additional Pension
The Council has decided not to exercise its discretion in this area.

Other Discretions (2006 Regulations)

1. Use of Actual Pay in Redundancy Payments

The Council has decided to use actual pay instead of the statutory maximum when calculating redundancy payments.

2. Payment of Enhanced Redundancy Payments to Employees Without Immediate Access to their Pension Rights

The Council has decided not to enhance redundancy payments to those under 50 who have at least 2 years continuous service and at least 3 months membership of LGPS.

(Note – references to age 55 will be subject to specific protection/transition arrangements as specified in Pension regulations)

MM Mar 08