

APPENDIX 3

NORTHAMPTON BOROUGH COUNCIL

LOCAL GOVERNMENT PENSION SCHEME

STATEMENT OF DISCRETIONS – APRIL 2007

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 50 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 agreed to exercise its discretion to allow additional augmented service as detailed in the Early Retirement / Severance Scheme.

Where an active member of the LGPS takes early retirement through redundancy and the active member is aged 50 or over with 5 or more years continuous membership of LGPS and 5 years or more continuous NBC service, the Council will allow 2 additional years for every 5 years continuous NBC service subject to a maximum of

- 6 $\frac{2}{3}$ years
- not exceeding total service to more than 40 years or to more years membership than they could have attained by age 65

(service to be pro-rated for part time employees unless the equivalent of whole time service of 13 $\frac{1}{3}$ years has already been accrued).

4. Compassionate Grounds
The Council may permit active members and deferred beneficiaries the right to retire from age 50 on compassionate grounds without reduction.
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.

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 to enhance redundancy payments to those under 50 who have at least 2 years continuous service and at least 3 months membership of LGPS, as stated in the Early Retirement / Severance Scheme and subject to a maximum of 45 weeks pay.