

Discretionary Compensation Regulations

Updated 20th September 2017

If you require this information in any other format please contact your HR team on 01267 246100.

The Authority is required to publish its policy in respect of the Discretionary Compensatory Regulations under the Local Government Pension Scheme (LGPS). These discretions are subject to change, either in line with any change in regulations or by due consideration by the Authority. These provisions do not confer any contractual rights.

Dyfed Pension Fund Administering Authority discretions are available on www.dyfedpensionfund.org.uk. The full list of discretionary policies for Carmarthenshire County Council can also be found on this site.

Local Government Pension Scheme Regulations 2013

Discretion	Regulation	Policy
Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.	16(2)(e)* & 16(4)(d)*	Not to apply this discretion
Whether, how much, and in what circumstances to contribute to shared cost AVC arrangements entered into on or after 1/4/14	17(1) & Definition of SCAVC in Schedule 1	Apply this discretion for salary sacrifice contributions. Employee contributions will be fixed a £1 per pay period which will be included as part of the total contribution. Existing and new AVC scheme members will automatically transfer to the SCAVC unless they opt not to do so.
Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).	30(6)*	Consider all applications taking into account all financial and service delivery issues
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.	30(8)*	Consider all applications taking into account all financial and service delivery issues
Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension	30(8)*	Consider all applications taking into account all financial and service delivery issues

age.		
Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a.)	31*	Not to apply this discretion

Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014

Discretion	Regulation	Policy
Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	Schedule 2, paragraph 1(2) and 2(2)*	Consider all applications taking into account all financial and service delivery issues
Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits from pre 1 April 2014 membership where the Employer has ‘switched on’ the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	Schedule 2, paragraph 2(3)*	Consider all applications taking into account all financial and service delivery issues

Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007

Discretion	Regulation	Policy
Whether, for a member leaving on the grounds of redundancy or business efficiency on or before 31st March 2014, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving. Hence this discretion is spent entirely after 30th September 2014.	12*	Not to apply this discretion
Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60.	30(2)*	Consider all applications taking into account all financial and service delivery issues
Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under Regulation 30.	30(5)*	Consider all applications taking into account all financial and service delivery issues
Whether to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60.	30A(3)*	Consider all applications taking into account all financial and service delivery issues
Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under Regulation 30A.	30A(5)*	Consider all applications taking into account all financial and service delivery issues

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Local Government Pension Scheme Regulations 1997 (as amended)

Discretion	Regulation	Policy
Grant application from a post 31.3.98. / pre 1.4.08. leaver or from a councillor for early payment of benefits on or after age 50/55 and before age 60.	31(2)*	Take appropriate action in light of the circumstances relating to each case
Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early for a post 31.3.98. / pre 1.4.08. leaver or a councillor leaver.	31(5)*	Take appropriate action in light of the circumstances relating to each case
Councillor optants out and pre 1.4.08. employee optants out only to get benefits paid from NRD if employer agrees.	31(7A)*	Take appropriate action in light of the circumstances relating to each case

Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended)

Under Regulation 7 of the Discretionary Compensation Regulations, each authority (other than an Admitted Body) is required to formulate and keep under review a policy which applies in respect of exercising their discretion in relation to:

Discretion	Regulation	Policy
To base redundancy payments on an actual weeks pay where this exceeds the statutory weeks pay limit.	5	Redundancy payments will be based on actual weekly pay
To award lump sum compensation of up to 104 weeks pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.	6	<p>To be based on Statutory redundancy weeks times a multiplier of 1.5 e.g. the Authority will pay up to a maximum of 45 weeks.</p> <p>Where the member is age 55 and above, they will receive the immediate payment of pension benefits unreduced.</p> <p>If on the grounds of efficiency, the member will receive the immediate payment of pension benefits at an unreduced rate ONLY.</p>
To award compensatory added years to a person aged 50 or over	11(2)	Not to apply this discretion

with 5 or more years membership (or notional membership) of the LGPS in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment which occurred after 30th September 2006 and before 1st April 2007 (but only if employment had commenced pre 1st October 2006)		
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Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)

Under Regulation 26 of the Discretionary Compensation Regulations, each authority (other than an Admitted Body) is required to formulate and keep under review a policy which applies in respect of exercising their discretion in relation to:

Discretion	Regulation	Policy
How to apportion any surviving spouse's or civil partner's annual compensatory added years payment where the deceased person is survived by more than one spouse or civil partner.	21(4)	Compensatory added years continue to apply
How it will decide to whom any children's annual compensatory added years payments are to be paid where children's pensions are not payable under the LGPS (because the employee had not joined the LGPS) and, in such a case, how the annual added years will be apportioned amongst the eligible children.	25(2)	Compensatory added years continue to apply
Whether, in respect of the spouse of a person who ceased employment	21(7)	Compensatory added years continue to apply

<p>before 1 April 1998 and where the spouse or civil partner remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal pension suspension rules should be disapplied i.e. whether the spouse's or civil partner's annual compensatory added years payments should continue to be paid.</p>		
<p>If, under the preceding decision, the authority's policy is to apply the normal suspension rules, whether the spouse's or civil partner's annual compensatory added years payment should be reinstated after the end of the remarriage, new civil partnership or cohabitation.</p>	<p>21(5)</p>	<p>Not applicable</p>
<p>Whether, in respect of the spouse or civil partner of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries or cohabits or enters into a civil partnership on or after 1 April 1998 with another person who is also entitled to a spouse's or civil partners annual CAY payment, the normal rule requiring one of them to forego payment whilst the period of marriage, civil partnership or cohabitation lasts, should be disapplied i.e. whether the spouses' or civil partners' annual CAY payments should continue to be paid to both of them.</p>	<p>21(7)</p>	<p>Compensatory added years continue to apply</p>
<p>Whether and to what extent to reduce or suspend the member's annual compensatory added years payment during any period of re-employment in local government.</p>	<p>17</p>	<p>No longer abated removed on the 01/10/2006. * For tiered ill health pension please refer to the Dyfed Pension fund Discretionary policy</p>
<p>How to reduce the member's annual compensatory added years payment following the cessation of a period of re-employment in local government.</p>	<p>19</p>	<p>No longer abated removed on the 01/10/2006. * For tiered ill health pension please refer to the Dyfed Pension fund Discretionary policy</p>

Discretions under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

Under Regulation 14 of the Injury Allowances Regulations, each LGPS employer (other than an Admitted Body) is required to formulate, publish and keep under review the policy that it will apply in the exercise of its discretionary powers to make any award under the Injury Allowances Regulations in respect of leavers, deaths and reductions in pay that occurred post 15 January 2012.

Discretion	Regulation	Policy
Whether to grant an injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.	3(1)	Not to apply this discretion
Amount of injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.	3(4) and 8	Not to apply this discretion
Determine whether person continues to be entitled to an injury allowance awarded under Regulation 3(1).	3(2)	Not to apply this discretion
Whether to grant an injury allowance following cessation of employment	4(1)	Not to apply this discretion

as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.		
Amount of injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.	4(3) and 8	Not to apply this discretion
Determine whether person continues to be entitled to an injury allowance awarded under Regulation 4(1).	4(2)	Not to apply this discretion
Whether to suspend or discontinue injury allowance awarded under Regulation 4(1) if person secures paid employment for not less than 30 hours per week for a period of not less than 12 months.	4(5)	Not to apply this discretion
Whether to grant an injury allowance following cessation of employment with entitlement to immediate LGPS pension where a Regulation 3 payment was being made at date of cessation of employment but Regulation 4 does not apply.	6(1)	Not to apply this discretion
Determine amount of any injury allowance to be paid under Regulation 6(1).	6(1)	Not to apply this discretion
Determine whether and when to cease payment of an injury allowance payable under Regulation 6(1).	6(2)	Not to apply this discretion
Whether to grant an injury allowance to the spouse, civil partner, nominated co-habiting partner or dependent of an employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.	7(1)	Not to apply this discretion

Determine amount of any injury allowance to be paid under Regulation 7(1).	7(2) and 8	Not to apply this discretion
Determine whether and when to cease payment of an injury allowance payable under Regulation 7(1).	7(3)	Not to apply this discretion