



*Dunbartonshire and Argyll & Bute
Valuation Joint Board*

Local Government Pension Scheme Statement of Policy on Discretions

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1.0 Introduction

- 1.1 The Local Government Pension Scheme (LGPS) in Scotland states that employers must formulate, publish and keep under review a Statement of Policy on certain discretions which they have the power to exercise in relation to members of the Scheme.
- 1.2 The Local Government Pension Scheme (Scotland) Regulations 2018 amended the Scheme and the discretions which employers have the discretion to apply.
- 1.3 This Policy updates the range of discretions available to the Valuation Joint Board and the discretions which the Board will adopt in relation to the updated LGPS.

2.0 Scope

- 2.1 This Policy applies to early leavers (redundancy/voluntary severance/early retirement); staff requesting flexible retirement; staff in situations where augmentation of benefit would apply; staff opting out and rejoining the pension scheme.

3.0 Key Principles

- 3.1 The Policy describes the range of discretions available to the Joint Board. All decisions in relation to the use of these discretions will always take account of the short and long term financial implications to the Board.
- 3.2 In applying its discretions, the Board will always seek to ensure consistent and equitable application within any scheme of voluntary early retirement and voluntary severance.
- 3.3 The Board will ensure the Policy on Discretions is reviewed and updated to comply with any changes to statutory redundancy provisions and amended Pension Regulations.

4.0 Date for Review

- 4.1 This policy statement will be kept under review and will be revised as and when necessary to reflect any changes in regulations or policy. Any changes to this

policy will be communicated to the administering authority and scheme members in writing within one month of the change taking effect.

5.0 Statutory Context

5.1 The Valuation Joint Board (“The Board”) is aware of its obligations under:

- the LGPS (Scotland) Regulations 2018
- the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014
- the LGPS (Scotland) Regulations 2014
- the LGPS (Administration) (Scotland) Regulations 2008 (in respect of leavers between 1 April 2009 and 31 March 2015)
- the LGPS (Scotland) Regulations 1998 (in respect of leavers between 1 April 1998 and 31 March 2009)

5.2 In developing our policy statement, The Board has considered the LGPC document called “Discretions Policies”, see:

<http://www.lgpsregs.org/index.php/scotland/admin-guides>

6.0 Discretions

6.1 The Tables below detail the range of discretions available to the Valuation Joint Board and the discretions which the Board will adopt in relation to the LGPS

6.2 Table 1 details our discretions from 01 06 18 in relation to post 01 06 18 active members and post 01 06 18 leavers, being discretions under:

- the Local Government Pension Scheme (Scotland) Regulations 2018 [prefix **R**]
- the Local Government Pension Scheme (Scotland) Regulations 2014 [prefix **R2**]
- the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 [prefix **TP**]
- the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 [prefix **A**]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 (as amended) [prefix **B**]
- the Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008 [prefix **T**]
- the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended)

- [prefix L]

Table 1

<u>Regulation</u>	<u>Discretion</u>	<u>DABVJB's policy on the exercise of this discretion</u>
R3(1)(b)	Decide which employees to nominate for membership (admission bodies)	Not applicable to DABVJB as a Scheduled Body. (No Change)
RSch 2, Part 2, para 12(c)	Whether, in respect of an admission body providing a service in respect of outsourced work, to set off against payments due to that body any sums due from that body to the Fund	The Board will consider each case on an individual basis. (No Change)
R9(1) to R9(4)	Determine the rate of employee's contributions	The employee's rate of contributions will be determined in accordance with the relevant regulations (No Change)
R9(8)	Determine intervals at which employees' contributions are to be made	The frequency of employee contributions will be determined by the relevant pay cycle (No Change)
R16(2)(e)* & R16(4)(d)*	Whether, how much, and in what circumstances to contribute to a shared cost APC scheme	The Board will not have a general policy to contribute to a shared cost APC scheme but may do so if exceptional circumstances can be proved. Each case will be considered on its merits. (Changed)
R16(16)	Whether to extend 30 day deadline for member to elect for a shared cost APC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, child-related leave or reserve force service leave)	The Board may extend the deadline by a further 30 days, on production of evidence of extenuating circumstances and where it can be shown that members may not have been informed of the requirement for this decision within 30 days of return, subject to individual circumstances. (Changed)
R17(1) & definition of SCAVC in RSch 1	Whether, and in what circumstances to contribute to a shared cost AVC scheme.	The Board allows members to access either the AVC arrangement on a member-only contribution basis or through the 'salary sacrifice' shared cost AVC provision. (Changed)
TP15(1)(b) & L65(8) & former	Allow late application to convert scheme AVCs into membership credit i.e. allow	The Board will not exercise this discretion and application must

<u>Regulation</u>	<u>Discretion</u>	<u>DABVJB's policy on the exercise of this discretion</u>
L65(9)(b)	application more than 30 days after cessation of active membership (where AVC arrangement was entered into before 30/6/05)	be made within timescales. (No Change)
R19(2)	No right to a return of contributions due to an offence of a fraudulent character or grave misconduct unless the employer directs a total or partial refund is to be made	The Board will exercise this discretion and will not direct a total or partial refund. (No Change)
R20(1)(b)	Specify in an employee's contract what other payments or benefits, other than those specified in R20(1)(a) and not otherwise precluded by R20(2), are to be pensionable	Elements of pay received by an employee other than those specified in these regulations and not otherwise precluded will only be pensionable if specified as such in the member's contract of employment. (No Change)
R21(5)	In determining Assumed Pensionable Pay, whether a lump sum payment made in the previous 12 months is a "regular lump sum" Note: see tip 11(iv) available from P10 of the LGPC's "Discretions Policies" document.	The Board will consider each case on its merits. (No Change)
R22(7B)	Whether to extend the 12 month option period for a member to elect that post 2015 deferred benefits should not be aggregated with an ongoing concurrent employment	The Board will not normally extend the 12 month time limit but may do so if exceptional circumstances can be demonstrated that are in the interests of the member and at no additional cost to the Board. Each case will be considered on its merits (No Change)
R22(8B)	Whether to extend the 12 month option period for a member to elect that post 2015 deferred benefits should not be aggregated with a new employment	The Board will not normally extend the 12 month time limit but may do so if exceptional circumstances can be demonstrated that are in the interests of the member and at no additional cost to the Board. Each case will be considered on its merits. (No Change)

<u>Regulation</u>	<u>Discretion</u>	<u>DABVJB's policy on the exercise of this discretion</u>
TP10(6)	Whether to extend the 12 month option period for a member to elect that pre 2015 deferred benefits for a member who rejoined post 31 March 2015 can be aggregated to purchase an amount of CARE pension.	The Board will not normally extend the 12 month time limit but may do so if exceptional circumstances can be demonstrated that are in the interests of the member and at no additional cost to the Board. Each case will be considered on its' merits. (No Change)
R29(7)* & TP11(2)	Whether all or some benefits can be paid if an employee reduces their hours or grade prior to age 60 (flexible retirement) Note: see tip (iii) available from P5 of the LGPC's "Discretions Policies" document.	The Board will consider applications on an individual basis and may be granted where it can be demonstrated to be to the Board's advantage or in its operational interest, and in accordance with the Board's policy. (Changed)
R29(9)* and TPSch 2, para 2(1)	Whether to waive, in whole or in part, any actuarial reduction on benefits paid on flexible retirement. Note: any resultant strain cost from the exercise of this discretion will be charged to the employer regardless of the member's age at date of retirement.	The Board will consider applications on an individual basis and may be granted where it can be demonstrated to be to the Board's advantage or in its operational interest and in accordance with the Board's policy. (Changed)
R29(9)*	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age, other than on the grounds of flexible retirement (where the member only has post 31/3/15 membership) Note: any resultant strain costs due to the exercise of this discretion will be charged to the employer regardless of the employee's age.	The Board will consider applications on an individual basis and may be granted where it can be demonstrated to be to the Board's advantage or in its operational interest. (No Change)
TPSch 2, paras 1(2) and 2(1)*	Whether to apply the 85 year rule for a member voluntarily drawing benefits, with employer consent, on or after age 55 and before age 60 (other than on the grounds of flexible retirement).	The Board will not exercise the discretion to apply the 85 year rule on the basis of cost. (No Change)
TP3(1), TPSch 2, para 2(1) *	Whether to waive, in whole or in part, any actuarial reduction on pre and post April 2015 benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1/4/15 and post 31/3/15 membership and is subject to the 85 year rule)	The Board will not waive the actuarial reduction applied to benefits paid early under regulation TP3(1), TPSch 2, para 2(1) * (No Change)

<u>Regulation</u>	<u>Discretion</u>	<u>DABVJB's policy on the exercise of this discretion</u>
TP3(1), (5) and (12) TPSch 2, para 2(1) and B30(5)* (AMENDED)	Whether to waive, in whole or in part, any actuarial reduction on pre and post April 2015 benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1/4/15 and post 31/3/15 membership)	The Board will not waive the actuarial reduction applied to benefits paid early under regulation TP3(1), (5) and (12) TPSch 2, para 2(1) (No Change)
R30*	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 £5,000 p.a.)	The Board will not exercise this discretion. (No Change)
R89(1) & (8) R89(4)	Whether to apply to Scottish Ministers for a forfeiture certificate (where a member is convicted of a relevant offence) and subsequently whether to direct that benefits are to be forfeited (other than rights to GMP – but see R92 below)	The Board will apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited. (No Change)
R87(2)	Whether to recover from the fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs / SCAVCs) where the obligation was as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left the employment.	The Board will recover from Strathclyde Pension Fund the amount of loss in cases of criminal, negligence or fraudulent acts by a member, provided that other means of recovery have been exhausted. (No Change)
R89	Whether, if the member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts, forfeiture under R86 or recovery of a monetary obligation under R87 should deprive the member or the member's surviving spouse or civil partner of any GMP (guaranteed minimum pension) entitlement.	The Board will apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited. (No Change)
R90(5)	Decide whether to issue a Certificate of Protection if the member does not request one within 12 months of a reduction or restriction in pay	The Board will issue a certificate of protection of pension benefits where the member fails to apply for one. (No Change)
R93(1)(b)	Agree to bulk transfer payment	The Board will consult with SPFO and the fund actuaries in this regard. (No Change)

<u>Regulation</u>	<u>Discretion</u>	<u>DABVJB's policy on the exercise of this discretion</u>
R95(6) (AMENDED)	Extend normal time limit for acceptance of a transfer value beyond the 12 month time limit from joining the LGPS	The Board will not generally extend the normal time limit for acceptance of a transfer value beyond 12 months from joining the scheme. However, may do so where exceptional circumstances can be proved. Each case will be considered on its individual merits including if there would be any financial impact on the Council and/or the Pension Fund. (Changed)
TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & B11(2)	Whether to allow a member to select final pay period for fees to be any 3 consecutive years ending in the 10 years prior to leaving and ending on the anniversary of the date of leaving	The Board will allow a member to select final pay for fees to be any three consecutive years ending 31 st March in the 10 years prior to leaving. The Board agree that this will be done automatically by SPFO. (No Change)
TP3(1)(a), A43(5)	Issue a certificate of protection of pension benefits where eligible non-councillor member fails to apply for one (pay cuts / restrictions occurring pre 01 04 15)	The Board will issue a certificate of protection of pension benefits where the member fails to apply for one. (No Change)
R2 29 (6) and 29 (9)	Whether to grant application to waive all or part of the actuarial reduction applied for early payment of benefits on or after age 55	The Board will consider each case on its own merits and may waive all or part of the actuarial reduction where this is demonstrated to be to the Board's advantage or in its' operational interest, activating associated protections as appropriate. (No Change)

6.3 Table 2 details our discretions in relation to scheme members who ceased active membership on or after 01 04 15 and before 31 05 2018, being discretions under:

- the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 [prefix **A**]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 (as amended) [prefix **B**]
- the Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008 [prefix **T**]
- the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland)

- Regulations 2014 [prefix **TP**]
- the Local Government Pension Scheme (Scotland) Regulations 2014 [prefix **R2**]
- the Local Government Pension Scheme (Scotland) Regulations 2018 [prefix **R**]
- the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended)
- [prefix **L**]

Table 2

<u>Regulation</u>	<u>Discretion</u>	<u>DABVJB's policy on the exercise of this discretion</u>
TP15(1)(b) & L65(8) & former L65(9)(b)	Allow late application to convert scheme AVCs into membership credit i.e. allow application more than 30 days after cessation of active membership (where AVC arrangement was entered into before 30/6/05)	The Board will not exercise this discretion and application must be made within time scales. (No Change)
TP10(6)	Whether to extend the 12 month option period for a member to elect that pre 2015 deferred benefits for a member who re-joined post 31 March 2015 can be aggregated to purchase an amount of CARE pension	The Board will not normally extend the 12 month time limit but may do so if exceptional circumstances can be demonstrated that it is in the interests of the member and at no additional cost to the Board. Each case will be considered on its' merits. (No Change)
R2 ~ 29(9)*	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age, other than on the grounds of flexible retirement (where the member only has post 31/3/15 membership) Note: any resultant strain costs due to the exercise of this discretion will be charged to the employer regardless of the employee's age.	The Board will consider each case on its own merits and may waive all or part of the actuarial reduction where this is demonstrated to be to the Board's advantage or in its' operational interest. (No Change)
TPSch 2, paras 1(2) and 2(1)*	Whether to apply the 85 year rule for a member voluntarily drawing benefits, with employer consent, on or after age 55 and before age 60 (other than on the grounds of flexible retirement).	The Board will not exercise the discretion to apply the 85 year rule on the basis of cost. (No Change)

<u>Regulation</u>	<u>Discretion</u>	<u>DABVJB's policy on the exercise of this discretion</u>
TP3(1), TPSch 2, para 2(1) *	Whether to waive, in whole or in part, any actuarial reduction on pre and post April 2015 benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1/4/15 and post 31/3/15 membership and is subject to the 85 year rule)	The Board will not waive the actuarial reduction applied to benefits paid early under regulation TP3(1), TPSch 2, para 2(1) * (No Change)
TP3(1), (5) and (12), TPSch 2, para 2(1)	Whether to waive, in whole or in part, any actuarial reduction on pre and post April 2015 benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1/4/15 and post 31/3/15 membership)	The Board will not waive the actuarial reduction applied to benefits paid early under regulation TP3(1), (5) and (12), TPSch 2, para 2(1) * (No Change)
R2 ~ 89(1) & (8) R2 ~ 89(4)	Whether to apply to Scottish Ministers for a forfeiture certificate (where a member is convicted of a relevant offence) and subsequently whether to direct that benefits are to be forfeited (other than rights to GMP – but see R2 ~ 92 below)	The Board will apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited. (No Change)
R2 ~ 90(2)	Whether to recover from the fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs / SCAVCs) where the obligation was as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left the employment.	The Board will recover from Strathclyde Pension Fund the amount of loss in cases of criminal, negligence or fraudulent acts by a member, provided that other means of recovery have been exhausted. (No Change)
R2 ~ 92	Whether, if the member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts, R2 ~ 89(1) & (8) or recovery of a monetary obligation under R2 ~ 89(4) should deprive the member or the member's surviving spouse or civil partner of any GMP entitlement.	The Board will consider whether forfeiture under R2 86 or recovery of a monetary obligation under R2 87 is appropriate and that the member or the member's surviving spouse or civil partner should be deprived of any Guaranteed Minimum Pension entitlement. Each case will be considered on its individual merits. (Changed)

<u>Regulation</u>	<u>Discretion</u>	<u>DABVJB's policy on the exercise of this discretion</u>
R2 ~ 93(5)	Decide whether to issue a Certificate of Protection if the member does not request one within 12 months of a reduction or restriction in pay	The Board will issue a certificate of protection of pension benefits where the member fails to apply for one. (No Change)
R2 ~ 95(1)(b)	Agree to bulk transfer payment	The Board will consult with SPFO and the fund actuaries in this regard. (No Change)
TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & B11(2)	Whether to allow a member to select final pay period for fees to be any 3 consecutive years ending in the 10 years prior to leaving and ending on the anniversary of the date of leaving	The Board will allow a member to select final pay for fees to be any three consecutive years ending 31 st March in the 10 years prior to leaving. The Board agrees that this will be done automatically by SPFO. (No Change)
TP3(1)(a), A43(5)	Issue a certificate of protection of pension benefits where eligible non-councillor member fails to apply for one (pay cuts / restrictions occurring pre 01 04 15)	The Board will issue a certificate of protection of pension benefits where the member fails to apply for one. (No Change)
R2 29 (6) and 29 (9)	Whether to grant application to waive all or part of the actuarial reduction applied for early payment of benefits on or after age 55	The Board will consider each case on its' own merits and may waive all or part of the actuarial reduction where this is demonstrated to be to the Board's advantage or in its' operational interest. (No Change)

6.4 Table 3 details our discretions in relation to scheme members who ceased active membership on or after 01 04 09 and before 01 04 15, being discretions under:

- the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 [prefix **A**]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 (as amended) [prefix **B**]
- the Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008 [prefix **T**]
- the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 [prefix **TP**]
- the Local Government Pension Scheme (Scotland) Regulations 2014 [prefix **R2**]
- the Local Government Pension Scheme (Scotland) Regulations 2018 [prefix **R**]

- the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) [prefix L]

Table 3

<u>Regulation</u>	<u>Discretion</u>	<u>DABVJB's Policy on the exercise of this discretion</u>
A42(2)	No right to a return of contributions due to an offence of a fraudulent character or grave misconduct unless the employer directs a total or partial refund is to be made	The Board will not direct a return of contributions in the event of an offence of a fraudulent character or grave misconduct. (No Change)
A43(5)	Employer may issue a certificate of protection where an employee fails to apply for one.	The Board will issue a certificate of protection of pension benefits where the member fails to apply for one. (No Change)
A45 (1) & (2)	Whether Contribution Equivalent Premium (CEP) in excess of the Certified Amount (CA) recovered from a refund of contributions can be recovered from the Pension Fund.	The Board will consider each case on its individual merits. (No Change)
A66 (2) & (6) A67 (1) & (2)	Whether to apply for a forfeiture certificate (where a member is convicted of a relevant offence) and subsequently whether to direct that benefits are to be forfeited.	The Board will apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited. (No Change)
A68(2)	Whether to recover from the fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs / SCAVCs) where the obligation was as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left the employment.	The Board will recover from Strathclyde Pension Fund the amount of loss in cases of criminal, negligence or fraudulent acts by a member, provided that other means of recovery have been exhausted. (No Change)
A70(2) & (3)	Whether to recover from the fund any financial loss caused by fraudulent offence or grave misconduct of an employee (who has left because of that) or amount of refund if less.	The Board will recover from Strathclyde Pension Fund the amount of loss caused by fraudulent offence or grave misconduct of employee (who has left because of

<u>Regulation</u>	<u>Discretion</u>	<u>DABVJB's Policy on the exercise of this discretion</u>
		that), or the amount of refund if less. (No Change)
B11(2)	Whether to allow a member to select a final pay period for fees to be any three consecutive years ending with 31 st March in the 10 years prior to leaving.	The Board will allow a member to select final pay for fees to be any three consecutive years ending 31 st March in the 10 years prior to leaving. The Board agree that this will be done automatically by SPFO. (No Change)
B30 (5)	Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early.	The Board will not exercise this discretion. (No Change)

6.5 Table 4 details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) in relation to pre 01 04 09 scheme leavers.

Table 4

<u>Regulation</u>	<u>Discretion</u>	<u>DABVJB's policy on the exercise of this discretion</u>
30 (5)*	Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early for a post 31 03 98 / pre 01 04 09 leaver Note: any resultant strain cost from the exercise of this discretion will be charged to the employer regardless of the member's age at date of retirement.	The Board will not exercise this discretion. (No Change)
30 (7A)*	Pre 01 04 09 optants out only to get benefits paid from NRD if employer agrees.	The Board will not exercise this discretion. (No Change)
33 (1)(b)	Decide, in the absence from a post 31 03 98 / pre 01 04 09 leaver of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership.	The Board will consider each case on its merits and in partnership with SPFO. (Changed)
70(7)(a)	Consent to a member's former employer assigning to the new employer rights under any SCAVC life assurance policy.	The Board will not exercise this discretion. (No Change)

<u>Regulation</u>	<u>Discretion</u>	<u>DABVJB's policy on the exercise of this discretion</u>
87 (2)	No right to return of contributions due to offence of a fraudulent character unless employer directs a total or partial refund is to be made (pre 01 04 09 leavers).	The Board will not direct a return of contributions in the event of an offence of a fraudulent character or grave misconduct. (No Change)
91	Contribution Equivalent Premium (CEP) in excess of the Certified Amount (CA) recovered from a refund of contributions can be recovered from the Pension Fund (pre 01 04 09 leavers).	The Board will consider each case on its merits. (No Change)
111(2) &(5) 112(1)	Forfeiture of pension rights on issue of Secretary of State's certificate (pre 01 04 09 leavers). Where forfeiture certificate is issued, direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits (pre 01 04 09 leavers).	The Board will apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited. (No Change)
113(2)	Recovery from Fund of monetary obligation owed by former employee or, if less, the value of the member's benefits (other than transferred in pension rights) (pre 01 04 09 leavers).	The Board will seek recovery from Strathclyde Pension Fund where other internal avenues have been exhausted. (No Change)
115(2) & (3)	Recovery from Fund of financial loss caused by employee, or amount of refund if less (pre 01 04 09 leavers).	The Board will seek recovery from Strathclyde Pension Fund where other internal avenues have been exhausted. (No Change)

6.6 Table 5 details our discretions under the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 (as amended)

Table 5

<u>Regulation</u>	<u>Discretion</u>	<u>DABVJB's policy on the exercise of this discretion</u>
D 4 (1)	Power to increase statutory redundancy payments above statutory weekly pay limit	Where redundancy is linked to the award of CAY (compensatory added years), payment will be subject to the statutory weekly limit. (No Change)
D 8(1)	Decision on whether to award compensatory added years to an individual on retirement on efficiency / redundancy Grounds	The Board may award up to 1 added year for retirement on redundancy grounds and up to 3 years for those on efficiency grounds. Any award will be subject to cost benefit analysis and the limits of affordability at the time of proposed release. This may result in an alternative offer to comply with best value principals. (Changed)
D 35	Decision to award up to 104 weeks compensation instead of compensatory added years	The Board will consider awarding compensation up to 45 weeks (using the statutory redundancy table with a multiplier of 1.5, known as the 'enhanced table'). Eligible employees will either be scheme members with at least 2 years continuous service and under 55 years (50 for protected members) or employees who are non-members of the scheme. Any award will be subject to cost benefit analysis and the limits of affordability at the time of proposed release. (No Change)

7.0 Commitments and Aims

7.1 Statement

- 7.1.1 The Board has a responsibility to exercise discretion in a fair, consistent, manner and act in the best interests of the organisation, the community and the pension fund. The following sections detail the Board's commitments in particular circumstances.

7.2 Re-employment of individuals who have left the Board through early retirement/voluntary severance

- 7.2.1 In line with the Accounts Commission report on "Managing Early Departures from the Scottish Public Sector", where an individual leaves the employment of the Board through early retirement / voluntary severance the individual will be unable to seek re-employment with the Board at a future date. Any re-employment of former employees would be in exceptional circumstances only and must have prior approval from the Assessor & ERO.

7.3 Cost Benefit Analysis/ Voluntary Early Retirement / Voluntary Severance

- 7.3.1 To comply with best value principles, it is the aim and commitment of the Joint Board to set a consistent maximum pay-back period of two years for voluntary early retirement or severance.
- 7.3.2 In line with current processes, all Cost Benefit Analysis (CBA) are considered and approved on their merits, with consideration of current financial position and previous approaches. Approval is thereafter required of the Board's Clerk and Treasurer, and the Assessor & ERO.
- 7.3.3 The Board reserves the right to vary this pay-back period in exceptional circumstances and on submission of a robust business justification.

7.4 The application of S20 Certificate of Protection

- 7.4.1 Regulation 22 of the Local Government Pension Scheme (Scotland) Regulations 1998 provides a degree of protection for members who suffer a reduction in their pensionable pay through circumstances out-with their control including the member's ill health. This provision is carried forward by regulation 43 of The

Local Government Pension Scheme (Administration) (Scotland)
Regulations 2008.

- 7.4.2 Circumstances outwith an employee's control are defined as being:
- a. The employer compulsorily changed the employment resulting in a lower grade
 - b. Job Evaluation exercise
 - c. Equal pay correction
 - d. Ill health
 - e. Cessation of pensionable payments, compulsorily made
- 7.4.3 In the event that an employee suffers a reduction in their pensionable pay due to their own conduct (disciplinary sanctions) or circumstances in which there were other alternative options, they will not be eligible or covered by this protection.