

The Environment Agency

Summary of Employing Authority discretions – effective August 2014

The Environment Agency, as an employer in the Local Government Pension Scheme (LGPS), has a policy regarding how it will use a number of areas of flexibility in the LGPS. These are called discretions. This summary document sets out at a high level the main discretions in that policy. We have a full policy statement that covers the full range of discretions. This includes all current and historical discretions that are available and many of these we either use infrequently or not at all. If you want a copy please contact info@eapf.org.uk.

We will exercise all discretions reasonably and in good faith, and we retain the right to change the policy at any time. If we do make changes, we will republish the updated document within one month of when the change(s) we are introducing come(s) into effect. Whilst we have a published policy setting out how we will use the discretions it does not restrict us in any way from our legal right to use these discretions in other ways.

Part 1 - The Local Government Pension Scheme

| Discretion | Description and policy |
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| Scheme Member's Contribution Rate | <p>We must decide what contribution rate you will pay whilst a scheme member. We will do this using the LGPS standard table of tiered contribution rates and we will tell you when we change the rate you pay.</p> <p>We have included details of how we use this discretion in our separate Contributions Operational Instruction.</p> |
| Award of Additional Pension | <p>We may award additional annual pension to you, as a scheme member, of up to £6,500 in total. We can do this whilst you are in employment and an active member of the fund or if you are leaving on redundancy or business efficiency grounds. We have set out details of how we will use this discretion on leaving in our separate Voluntary Early Release and Compulsory Redundancy schemes.</p> |
| Shared Cost Additional Pension Contribution (APC) | <p>We may decide to fund some or all of an APC where you elect to buy up to £6,500 of annual pension. Our policy is that we will not normally contribute under this provision. This does not apply to certain absences where it is a legal requirement, subject to certain conditions being met, for the employer to pay two thirds of the APC, i.e. to cover child related absence.</p> |
| Flexible retirement | <p>We may consent to paying some or all of your benefits where you reduce your hours or move to a lower grade post. We call this flexible retirement and it only applies if you are an active member of the pension fund. In addition, we can choose to waive, in whole or in part, any reduction that may apply to your benefits due to you taking your benefits early. We have set out details of how we will use this provision in our Flexible Retirement Operational Instruction.</p> |
| Ill Health retirement | <p>We may end your employment and award ill-health retirement benefits, where an independent registered medical practitioner, approved by us, certifies that you meet the ill health criteria set out in the LGPS regulations. The Director of Human Resources will determine whether to end your employment on ill-health grounds under this provision and whether to award Tier 1, 2 or 3 ill-health benefits.</p> |
| Waiving of an early reduction on voluntary retirement | <p>We can choose to waive, in whole or in part, any early retirement reduction that might apply to your benefits on voluntary retirement. We can only apply these provisions if you are an active scheme member and have reached age 55.</p> <p>We will not normally waive an early retirement reduction and we have explained this further in our separate Retirement Operational Instruction.</p> |

| Discretion | Description and policy |
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| Applying "Rule of 85" protections | <p>If you want to voluntarily retire and you have reached age 55, we can choose to apply historical rule of 85 protections, where appropriate, to your benefits. In doing this we would not apply some or all of the early retirement reduction that would otherwise apply.</p> <p>We will not normally apply this discretion and we have explained this further in our separate Retirement Operational Instruction.</p> |
| Stage One Internal Dispute Resolution Procedure (IDRP) | <p>We must appoint a person for dealing with applications under stage one of the dispute resolution procedures. This is a procedure you can use if you think we, as your employer or former employer, have not followed the LGPS rules correctly.</p> <p>The Deputy Director Head of Pension Fund Management is our stage one assessor who will consider and determine whether or not you were treated within the terms of the LGPS rules.</p> |
| Early payment of deferred benefits, and waiving an early payment reduction on compassionate grounds | <p>This only applies if you left before 1 April 2014 and it may apply if you formerly were entitled to a Tier 3 ill-health benefit. We can choose to allow early payment of your benefits between age 55 (50 for a small group of employees) and 60. If we do choose to allow this, then we can also choose to waive on compassionate grounds any early retirement reduction that might apply to your benefits as you are receiving your pension early.</p> <p>We have set out details of how we will use this provision in our pre 1 April 2014 Early Payment of Benefits Operational Instruction.</p> |
| Early payment of deferred benefits | <p>This only applies if you left before 1 April 2014 and it may apply if you formerly were entitled to a Tier 3 ill-health benefit. We may agree to the early payment of your benefits between age 55 and 60 (or ages 50 to 60 for a small group of employees). We will not apply this discretion to these scheme members once they reach age 60 as they then have an automatic right to immediate payment of pension benefits.</p> <p>We have set out details of how we will use this provision in our pre 1 April 2014 Early Payment of Benefits Operational Instruction.</p> |
| Payment of benefits at your normal retirement date (NRD) for members who have opted out | <p>If you opted out of the LGPS prior to 31 March 2008 and you have continued in LGPS employment beyond your NRD, we can agree to pay your benefits when you reach your NRD.</p> <p>We will not normally pay pension benefits in these circumstances (i.e. if you continue in the same employment beyond your normal retirement date).</p> |

Part 2 – Other Discretionary Award Schemes

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| Calculating redundancy payment using actual pay | We can increase your statutory redundancy payment by calculating it using your actual pay if it is greater than the statutory weekly pay amount. We have set out how we will use this provision in our Compulsory Redundancy Operational Instruction. |
| Paying lump sum compensation | We can award a discretionary payment if you are leaving on redundancy or business efficiency grounds. We have set out how we will use this provision in our separate Compulsory Redundancy and Voluntary Early Release Operational Instruction. |
| Award of injury allowance or other injury benefit | <p>We must decide whether to award an injury allowance or benefit if you sustain an injury or contract a disease in the course of carrying out the duties of your job.</p> <p>We will not normally award injury allowances or benefits.</p> |