

Early payment of pension benefits (for pre 1 April 2014 leavers)

Operational instruction

Issued

What is this document about?

In this document, we describe how we, the Environment Agency and the Environment Agency Pension Fund (EAPF), decide whether to consent to applications for the early payment of pension benefits.

It does not cover applications for the early payment of pension benefits on ill health grounds. If you are making an application on ill health grounds, you should contact Capita, our pension scheme third party administrator, using the details we have provided in the application procedure section.

Who does this apply to?

It applies if you were a former Environment Agency, or predecessor organisation, employee, who left our employment prior to 1 April 2014 and you have pension benefits in the EAPF.

It does not apply to you if you were a former Environment Agency Wales employee. If this is the case, you should contact Natural Resources Wales and ask them for information about the early payment of your benefits

Contact for queries and feedback

- [HR Pensions Team](#)

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1. Document statement

Early payment of pension benefits

In this document, we describe two discretions that allow us to consider paying your pension benefits early. The discretions are available to us under Regulations 30 and 30A of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (referred to in this document as the 'Benefit Regulations').

You can find more regulatory information about the discretions we use in our published [Employing Authority and Administering Authority Summary Statements of Policy on Discretions](#).

In the event of a conflict between the Benefit Regulations and this document, the Benefit Regulations will prevail.

2. Introduction

Introduction

You can ask us to pay your pension benefits from age 55. This applies if you opted out of the EAPF before 1 April 2014, are a deferred member and not employed by Environment Agency or were previously in receipt of tier 3 ill health retirement benefits. When considering your application we have two discretions, which allow us:

- to consent to the early payment of your pension benefits if you are aged between 55 and 60 (age 50 if you are a protected member as described in the protection section below)
- to decide whether to waive an actuarial reduction on compassionate grounds if you are taking your pension benefits before age 65

If you are under age 60, you need our consent if you want to receive your pension early.

If we use our discretion and agree to pay your pension between age 55 and 65, we must normally reduce your benefits.

3. Document scope

When will we use this document?

We will use this operational instruction when considering all non ill health applications for the early payment of pension benefits.

4. Statutory protections

What protections apply?

The pension protections we have described below may apply to you. We will take account of these when using the discretions. There are two types of protections:

- 85-year rule pension protections
 - pension protections that apply to employees who were compulsorily transferred from the civil service to the Environment Agency on 1 April 1996 or a later date in the 1990s.
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What is the 85-year rule

The normal retirement age in the Local Government Pension Scheme (LGPS) is 65. However, if you have full 85-year rule protections, you can voluntarily retire on reaching age 60 and we will not apply a reduction to your pension benefits. For this to apply your age and membership, both in whole years, must add up to 85. For example, if you have full protection and are age 60 with 25 years membership you can retire and receive your full pension entitlement.

The LGPS (Amendment) Regulations 2006 phased out the 85-year rule for all new members from 1 October 2006. For existing members the implementation date for making the changes was 1 April 2008. There are also transitional protections, which may apply to you. We have included additional information about the 85-year rule protections in Appendix 1.

The effect of 85-year rule protections

If you are covered by the 85-year rule protections, are aged between 55 and 60 and we approve your application to take your pension benefits we must cover the cost of agreeing to pay your pension early.

Former civil servant protections

If you are one of the former civil servants described above, you have a protection that allows you to ask to receive your pension from age 50 rather than age 55. You also have a protected retirement age of 60.

We will not reduce your pension if you take it from age 60 onwards. However, we will apply a reduction to your pension if we agree to pay it and you are aged between 50 and 60. We will link any reduction to your protected retirement age of 60.

If you want to understand more about these civil servant protections, you can refer to Regulations 32 and 36 of the LGPS (Miscellaneous) Regulations 2010.

5. Decision making principles

Information we consider when making a decision

Pensions provide financial support when you retire and are no longer in employment. Therefore, we will usually only consider paying your pension benefits before age 60 where you can show circumstances that prevent or severely limit your ability to earn an income from employment.

We will take account of whether there are early payment costs for the Environment Agency, for example because you have full 85-year rule protections. We need to understand the pertinent circumstances that surround your case when deciding whether to agree to pay your benefits before age 60. We will use this information to demonstrate we are spending public money wisely.

If you ask us to waive the pension early payment reduction, we can only do

this on compassionate grounds. You need to set out full details of your circumstances and provide sufficient supporting evidence in your application so we can use it when considering your case.

6. Application procedure

Making an application

If you want to apply for the early payment of your pension benefits, you should contact Capita, our pension scheme third party administrator. You can do this using the contact details below:

- Telephone: 0800 121 6593
- E-mail: eapf@capita.co.uk

Capita will send you an application pack, which provides information describing what you need to do. Once you have completed and returned your application to Capita they will forward it to us. We will consider it using the above discretions and other information we have included in this document.

7. Appeal procedure

How can I appeal a decision?

If you are unhappy with how we have managed your case or the information we have used when reaching a decision, you can appeal the pension decision using the [Internal Dispute Resolution Procedure](#) (IDRP).

8. Related documents and further information

Links

This operational instruction has links with the documents listed below:

- [Administering authority statement of policy on discretions](#)
 - [Employing authority statement of policy on discretions](#)
 - [Retirement operational instruction](#)
 - [Internal disputes resolution procedure](#)
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Legislation references

- Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007 (as amended) (the Benefit Regulations)
- Local Government Pension Scheme (Miscellaneous) Regulations 2010
- Local Government Pension Scheme (Amendment) Regulations 2006

Appendix 1

Clarification on the 85-year rule

You satisfy the 85-year rule if your age at the date you draw your benefits and your scheme membership, each in whole years, add up to 85 or more. If you do not satisfy the 85-year rule by the time you reach 65, then we will reduce all your benefits if you choose to retire before 65. We will base the reduction on how many years before 65 you take your benefits.

LGPS (Amendment) Regulations 2006 provided to phase out the 85-year rule from 1 October 2006 for new members. This date changed to 1 April 2008 for existing members and there is some transitional protection for some older members. The effect on benefits if you choose to retire before age 60 and satisfy the 85-year rule at the date of retirement is set out below.

As a scheme member, you can fall into five categories, which are as follows:

New scheme members – who joined after 1 October 2006

The normal retirement age if you fall into this category is age 65 and if you chose to retire from age 60, we will reduce your benefits.

Existing scheme members who will not achieve the 85-year rule

The Amendment Regulations do not affect you if you fall into this category, as your age and service does not add up to 85. You can choose to retire between age 60 and 65 but we will reduce your pension benefits.

Scheme members born before 1 April 1956 and can achieve the 85-year rule.

You are covered by the transitional arrangements if you fall into this category and you can retire at age 60 without any reduction to your pension benefits.

Scheme members born between 1 April 1956 and 1 April 1960 and can achieve the 85-year rule

You have full protection, if you fall into this category, for all benefits you have built up as at 31 March 2008 and some protection for benefits you have built up from 1 April 2008.

Scheme members born after 1 April 1960

If you fall into this category you will have protection on all benefits you have built up as at 31 March 2008 and will see a reduction to all benefits you have built up from 1 April 2008 until the scheme normal retirement age (65).