

### Employer Pension Discretions

Issue Date September 2018

#### Background

All employers will be aware that they have a legal requirement under the Local Government Pension Scheme (LGPS) Regulations to prepare and publish their Employers Pension Discretions.

The Staffordshire Pension Fund is aware that some employers have not published their Pension Discretionary Policy.

To assist our employers to formulate and publish their policies we have produced a template setting out the pensions discretions and things you should consider.

To further assist employers the Local Government Association LGA have recently revised their guidance on discretionary policies, which can be found by following the link below

<http://www.lgpsregs.org/resources/guidesetc.php>

#### Formulating Policies

Employer Policy Statements should be clear, unambiguous and have regard for overriding equality legislation, making them less open to challenge or appeal. When dealing with appeals, past experience has shown that an ambiguous or unclear policy can lead to scheme members successfully challenging an employer's discretion.



## **Employer Discretions Template**

The attached template covers the main policies on which you are required to have a discretion on and a couple of others that we would recommend you consider formulating a policy on. To assist you the template includes an example policy based on policies in place by other employers in the Fund and examples received from the Fund's Actuary.\*

The document has been pre-populated which you can adapt if you currently don't have a Pension Discretions Policy in place.

*\* Whilst the Fund can provide an explanation of what is required to comply with the Pension Regulations, we are unable to advise on what your policy should be. Each employer will have individual business drivers, funding and HR policies which will need to be reflected in your policies*

## **Completed Employer Discretions**

Once you have completed your Discretions Policy you should return to your Policy to the Staffordshire Pension Fund, it can be emailed directly to [martin.griffiths@staffordshire.gov.uk](mailto:martin.griffiths@staffordshire.gov.uk)

## **If you have already completed your Employer Discretions**

You should regularly review your Discretion to ensure they meet your business requirements and complies with the Pension Regulations.

## **Pension Breaches**

It is important to note that failure to formulate and keep under review a discretions policy as required by the regulations, is a breach and will be recorded as such for consideration by the Fund as to whether it is material and should therefore also be reported to the Pensions Regulator. This could lead to fines or further action at a national level.



**At the end of the this Scheme Year (31 March 2019) we will review the number of Discretionary Policies we hold. Any Employers who at this point have been unable to submit the completed pre-populated document or their own version will be placed on the Fund's Breaches Log. The Fund will need to consider the findings and if this is deemed material we are legally bound to report employers to the Pension Regulator. However by working together with you and providing the supporting documentation this course of action can be avoided.**

If you have any questions in relation to making your policies please email or Communication Officer: [martin.griffiths@staffordshire.gov.uk](mailto:martin.griffiths@staffordshire.gov.uk) and he will be happy to do whatever he can to assist you.

