

## **ADMINISTERING AUTHORITY ADMINISTRATION DISCRETIONS**

### **Report of the County Treasurer**

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

#### **Recommendations: That the Committee:**

- A. approves the amendments to the existing administration discretions (Annex A)**
- B. approves the recommendations contained in Annex B and Annex C**
- C. notes the impending employer consultation regarding Administration strategies**

1. The Local Government Pension Scheme regulations give some responsibilities and discretions to Devon County Council as the fund Administering Authority in the administration of the scheme.
2. The administering authority discretions were last reviewed in February 2011. The legislation containing the rules of the Local Government Pension Scheme has recently been implemented with the new LGPS 2014 changes in April 2014, and a revision of the discretions is now required. In addition to reviewing the existing discretions, new discretions have been introduced which are attached to this report.
3. Annex A contains all existing discretions previously approved by Committee where these still exist under the new LGPS regulations. The 2011 discretion document reflected the Devon Pension Service team structure that was in place at the time. In the main, the existing discretions remain unchanged. Other changes to the existing discretions are:
  - 3.1 Annex A – item 8. Due to nature of the new CARE scheme and the data requirements imposed by the Government Actuary Department, we will be asking for member contribution data on a monthly basis instead of an annual basis.
  - 3.2 Annex A – item 13. Abatement has been removed from the 2014 scheme meaning that it will not be possible to reduce any pension benefits built up after 1<sup>st</sup> April 2014. Administering Authorities can however continue to abate pre 2014 service. Policy has always been to abate in all cases. In order to be fair to members with both pre and post April 14 benefits, we will no longer apply the abatement rule.
  - 3.3 Annex A – item 14. Current policy of requiring medical certificates for members buying additional pension is no longer practical. The LGPS 2014 has extended the use of buying additional pension to cases such as buying back one days strike break or unpaid sickness absence. We will however continue to insist on a medical certificate where members wish to buy a large amount of pension over a period of time in order to protect the fund against ill health retirement costs.

- 3.4 Annex A – item 15. The 2014 regulations have removed the terminology of ‘Transferee’ and ‘Community’ admitted bodies though in practice the differences between the two types are still evident in the regulations. The discretion table has been updated to reflect the new wording in the regulations only, the current practice of the committee remains unchanged.
  - 3.5 Annex A – item 19. Current policy was not to request revised employer contribution rates. In order to manage the process of the closure of an admitted body, this has been revised in order to minimise any deficits or surplus on closure.
4. Annex B contains all additional Administering Authority discretions that have been introduced since the last revision in 2011, while Annex C covers the new discretions to be made where an employer would usually make the decision, but is no longer a Fund employer.

### **Administration Strategies**

1. Administration strategies were introduced into the LGPS regulations in 2008 and provide a mechanism to formulate a service level agreement between the administration authority and the scheme employers covering a number of areas including procedures for liaison and communication, levels of performance and performance targets for both employers and administration authority.
2. Committee is asked to note that Peninsula Pensions will shortly be going out to consultation with employers concerning the introduction of an Administration Strategy. The final version will be brought to Committee for approval in March 2015 with the intention of the strategy being in place from 1<sup>st</sup> April 2015.

Mary Davis

Electoral Divisions: All

Local Government Act 1972

List of Background Papers - Nil

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