

**DEVON COUNTY COUNCIL PENSION FUND
ADMINISTERING AUTHORITY DECISIONS – CONTINUING ADMINISTRATIVE ISSUES**

ANNEX A

| Detail | Current Policy | Comments/New Policy |
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| <p>1. If a scheme member suffers a drop in pay his pension position can be protected. If a member dies before making an election to use a higher final pensionable pay period, the AA may make an election on his behalf. Reg. TP3(6), TP4(6)(c) TP8(4), TP10(2)(a), TP17(2)(b), B10(2) TSch1, L23(9)</p> | <p>This provision is exercised to provide the highest benefits and is delegated to a senior officer within Peninsula Pensions.</p> | <p>No change</p> |
| <p>2. The regulations give discretion to the AA to decide to whom to pay a Death Grant where one is payable (including payment out of an AVC fund) Reg. R17(12), TP17(5) to (8), R40(2), R43(2), R46(2), B23(2), B32(2), B35(2), TSch1, L155(4), L38(1), E8 of 1995 Regs</p> | <p>Decision delegated to a senior officer within Peninsula Pensions. Death Grant will be paid by reference to member's will, expression of wish form and/or intestacy rules.</p> | <p>No change</p> |
| <p>3. Within the definition of eligible child is a discretion for the AA to disregard any period where the child has not been continuously in full time education/training which would normally debar the continuation of children's pension Reg. RSch 1 & TP17(9)</p> | <p>Delegated to County Treasurer to determine by the individual circumstances of each case.</p> | <p>No change</p> |
| <p>4. AA may decide to pay the whole or part of a child's pension accrued by a member of the 2008 scheme to another person for the benefit of that child Reg. B27(5), L47(2), G11(2) of 1995 regs</p> | <p>. Current practice is to pay pension to parent or guardian whose child is under the age of 18, with instruction that money is paid for the use of the child</p> | <p>No change</p> |
| <p>5. Regulations allow the AA to pay a one off lump sum in lieu of small pensions R34, B39, T14(3), L49, L156</p> | <p>The member is always given the option to commute their benefits where the regulations and overriding legislation</p> | <p>No change</p> |

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| 6. Where the AA has entered into an admission agreement with an admitted body it can set up a separate fund for that organisation Reg. R54(1) | No separate fund is set up for admitted bodies. To do so would incur additional expense and workload with no apparent benefit | No change |
| 7. AA to decide frequency of payments to be made over to Fund by employers and whether to make an admin charge Reg. R69(1), L81(1) | Pensions Act 1995 requires employers to pay across employee contributions by 19 th of the following month. Devon has always informed employers that contributions (both employee and employer) must be paid within 7 days of the end of the month. Any questions relating to an admin charge for employers will be dealt with under the Administration Strategy | No change |
| 8. AA to decide form and frequency of information to accompany payments to the Fund Reg R69(4), L81(5) | Previous procedure was only to request information regarding each individual at year end. Remittance advice is required to accompany pension contributions payments | Employing authorities are now required to submit individual information each month. Remittance advice is still required to accompany pension contributions payments |
| 9. AA can charge interest on payments by employers overdue by more than one month. Reg. R71(1), L82(1) | An employer making payments of contributions later than one month after the due date will be charged interest on the outstanding amounts from that date | No change |
| 10. On death of a member where the total amount due under the scheme is less than the amount specified in the Administration of Estates (Small Payments) Act 1965, the AA may pay amounts due to personal representatives without need for grant of probate/letters of administration Reg. R82(2), A52(2), L95 | Current limit under the Administration of Estates (Small Payments) Act 1965 is £5000. Payment will be made to personal representatives or entitled beneficiary without the need for probate or letters of administration | No change |

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| <p>11. AA to decide procedure to be followed by admin authority when exercising its stage two IDRPs functions and decide the manner in which those functions are to be exercised Reg. R76(4), A60(8), L99</p> | <p>County Treasurer and County Solicitor carry out stage two appeals</p> | <p>No change</p> |
| <p>12. AA may charge member for provision of estimate of additional pension that would be provided by the Scheme in return for transfer of in house AVC/SCAVC fund (where AVC/SCAVC arrangement was entered into before 01.01.14). Reg. TP15(1)(d) & A28(2)</p> | <p>No charge to be made except where any external charges incurred by the Fund will be passed on to the member.</p> | <p>No change</p> |
| <p>13. AA must formulate and keep under review its policy concerning abatement of pensions following re-employment – this only applies to benefits accrued up to 31.03.14 Reg. TP3(13) & A70(1) & A71(4)(c), L109, L110(4)(b), T12</p> | <p>Abatement reduces a member's pension during a period of re employment where a pensioner has re entered local government employment and whose total pension and new salary together exceed salary at retirement. Current policy is to abate in all cases</p> | <p>Where the re-employment takes place after 1st October 2014 abatement will not apply and existing cases will no longer be abated from that date</p> |
| <p>14. AA to decide whether to require a satisfactory medical before agreeing to an additional pension contribution (APC) election under Reg. B16. The AA can refuse an application to pay an AVC if not satisfied that the member is in good health.</p> | <p>Additional Pension Contributions buy additional pension in the scheme. This replaces the provision to buy additional service. Previous practice for purchasing additional service was to require a medical certificate. This protected the fund against an election by a member who is aware of a medical history which is likely to lead to ill health retirement.</p> | <p>From 1 April 2014 APCs are used for employees wishing a period of unpaid leave to count for pension purposes .A medical certificate will only be required when an employee is buying £2000 pa additional pension or more and is paying via regular contributions (as opposed to paying by lump sum when a medical will not be required). It is impractical to require a medical in all cases when some APC</p> |

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| | | contracts will be very small and/or paid as a lump sum. The decision whether a medical is satisfactory is delegated to the Head of Pensions Administration. |
| 15. AA may agree to an admission agreement with a body applying to be an admission body Reg. R5(5) & Rsch 2 Part 3 para 1 | Committee approval will not be needed where the admitted body is a scheme employer due to the outsourcing of a service by another scheme employer, as that original employer is liable for any outstanding deficit. Other admitted bodies can be admitted to the Fund providing they can show long term financial security by either a guarantee from a scheduled employer or with the provision of a bond. | No change |
| 16. AA may agree to an admission agreement with a Care Trust, NHS Scheme employing authority or Care Quality Commission Reg. R4(2)(b) | The Administering Authority will agree to an admission agreement with a Care Trust, NHS Scheme employing authority or Care Quality Commission subject to the requirements in 15 above | No change |
| 17 Whether to terminate a transferee admission agreement in the event of: <ul style="list-style-type: none"> • insolvency, winding up or liquidation of the body • breach by that body of its obligations under the admission agreement • failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so RSch 2 part 3 para 9(d) | The Administering Authority reserves the right to terminate a transferee admission agreement in the event of: <ul style="list-style-type: none"> • insolvency, winding up or liquidation of the body • breach by that body of its obligations under the admission agreement failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so | No change |
| 18. AA to decide whether to extend normal 12 month period following end of relevant reserve forces leave for | To only extend time limit in exceptional circumstances. This discretion only extends to councillor members. The | No change |

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| <p>“Cancelling notice” to be submitted requesting that the service should not be treated as relevant reserve forces service for councillors only Reg.17(4)(7)(8), 89(4) & Sch 1 of 1997 Regulations</p> | <p>decision whether to extend the time period is delegated to the Head of Pensions Administration.</p> | |
| <p>19. Whether to obtain revision of employer’s contribution rate if there are circumstances which make it likely a Scheme employer will become an exiting employer Reg. R64(4)</p> | <p>A revised employer’s rates and adjustment certificate will not be required</p> | <p>A revised employer’s rates and adjustment certificate will be required in order to minimise any deficit or surplus position on closure</p> |
| <p>20. AA to decide whether to obtain a new rates and adjustments certificate if the Secretary of State amends the Benefits Regulations as part of the “cost sharing” Reg.R63 R65</p> | <p>A revised employer’s rates and adjustment certificate will be obtained, at a cost to the employer. To be actioned by the Pension and Investment Committee if required</p> | <p>No change</p> |
| <p>21.Whether to require any strain on Fund costs to be paid ‘up front’ by employing authority following payment of benefits under R30(6) (flexible retirement), R30(7) (redundancy/business efficiency), the waiver (in whole or in part) under R30(8) of any actuarial reduction that would otherwise have been applied to benefits which a member voluntarily draws before normal pension age or to benefits drawn on flexible retirement, or any waiver of actuarial reduction under TPSch2 para 2(1) or release of benefits before age 60 under B30 or B30A, or voluntary early retirement of a councillor, or early payment of a deferred benefit for a pre-</p> | <p>Benefits following redundancy after age 55 are paid in full, without any reduction for early payment. The strain payment injects extra money into the fund to cover the effect of the early retirement. Employer can choose to pay capital cost as either an up front lump sum payment or payable over 3 years with the first payment commencing the following April after retirement</p> | <p>No change</p> |

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| 01.04.08 leaver (L80(5)) | | |
| 22. AA to decide whether to extend the time period during which a scheme member may elect to pay a Capital Sum to complete the purchase of additional service TP15(1)(c) & TSch1 & L83(5) | If no capital sum is received, only additional benefits that have been purchased will be granted Extension of the time limits will not be granted except in exceptional circumstances. Decision delegated to Head of Peninsula Pensions | No change |
| 23. Outstanding employee contributions can be recovered as a simple debt or by deduction from benefit Reg. A45(3)L89(3) | This discretion only applies to members leaving under the 1997 and 2008 regulations. Outstanding employee contributions will not be recovered by the Administering Authority as a simple debt or by deduction from benefits, unless there are exceptional circumstances. The decision is delegated to the Head of Pensions Administration | No change |

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| 24. AA may appeal to the Secretary of State to decide the question where an employer has failed to make an decision. R79(2), A63(2), L105(1) | The Administering Authority will appeal against lack of employer decision where necessary | No change |
| 25. AA to decide whether to have a written pensions administration strategy in place for all employers Reg. R59(1) & (2) | Pensions Administration strategy covers <ul style="list-style-type: none"> • Procedures for liaison and communication with employing authorities • Establishment of levels of performance for both the AA and the employer • Procedures to ensure compliance with statutory requirements • Ability to charge employers where they fail to meet agreed performance targets | Administering Authority aims to have a Pensions Administration Strategy in place by April 2015 |
| 26. AA to decide evidence required to | • | |

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| <p>determine if co habiting partner requirements are met Reg. RSch1, TP17(9)(b), B25</p> | <ul style="list-style-type: none"> • Proof of cohabiting for at least 2 years at time of death together with any relevant Certificates to prove member was able to marry will be required. Evidence needed to determine financial dependency or interdependency will be decided on a case by case basis and the decision is delegated to the Head of Pensions Administration | <p>No change</p> |
| <p>27. Member maybe entitled to a benefit under two or more regulations in respect of the same period of service of scheme membership. AA to decide in the absence of an election from the member which benefits should be paid Reg. R49(1)(c), B42(1)(c)</p> | <p>The highest benefits will be paid on the absence of a member election</p> | <p>No change</p> |
| <p>28. How to discharge Pension Credit liability L147</p> | <p>The discharge of pension credit liability is dealt with according to the regulations and guidance in force. A transfer of pension credit liability will be allowed</p> | <p>No change</p> |

**DEVON COUNTY COUNCIL PENSION FUND
ADMINISTERING AUTHORITY DECISIONS – NEW ADMINISTRATIVE ISSUES
(Includes those not previously covered in table)**

ANNEX B

| Detail | Current Policy | Comments/Proposed New Policy |
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| <p>1. Define what is meant by 'employed in connection with' RSch 2 part 3 para 12(a)</p> | <p>This applies to admission agreements, where the agreement states that only those employed in connection with the service have access to the LGPS. A scheme member should spend at least 50% of their time on the relevant contract to remain eligible for the LGPS</p> | <p>No change</p> |
| <p>2. Whether to turn down a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is very small and could be paid as a single payment R16(1))</p> | <p>New discretion in 2013 regulations</p> | <p>Members/employers can pay an APC/SCAPC in one lump sum, or as regular payments over a period of complete years (minimum period 1 year). Where the APC/SCAPC is to replace a period of unpaid leave the AA will leave this to the employer's discretion based on their administrative procedures and their knowledge of the person's circumstances.</p> |
| <p>3. Pension account may be kept in such form as is considered appropriate R22(3)(c)</p> | <p>New discretion in 2013 regulations</p> | <p>The pension accounts will be kept according to the provisions of the software system</p> |
| <p>4. Decide, in the absence of an election from the member within 12 months of ceasing a concurrent employment, which ongoing employment benefits from the concurrent employment which has ceased should be aggregated (where there is more than one ongoing employment) TP10(9)</p> | <p>The concurrent benefits will be added to the employment which appears to the AA to be the main ongoing employment. The decision is delegated to a senior officer within Peninsula Pensions</p> | <p>No change</p> |

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| <p>5. Whether to extend the time limits within which a member must give notice of the wish to draw benefits before normal retirement age or upon flexible retirement. R32(7)</p> | <p>New discretion in 2013 regulations</p> | <p>The regulations state that the member must give 3 months' notice of their wishes The AA will require 3 months' notice as per the regulations</p> |
| <p>6. Approve medical advisors used by employers (for ill health benefits) R36(3), A56(2), L97(10)</p> | <p>Peninsula Pensions will approve all doctors used by employers and a certificate will not be accepted unless doctor has already been approved.</p> | <p>No change</p> |
| <p>7. Whether to issue employer with notice to recover additional costs incurred as a result of the employer's level of performance R70 & TP22(2)</p> | <p>This matter will be addressed as part of the Administration Strategy. The final decision whether to issue a charge would be for the County Treasurer to make.</p> | <p>No change</p> |
| <p>8. Specify information to be supplied by employers to enable the administering authority to discharge its functions R80(1)(b) & TP22(1) & A64(1)(b)</p> | <p>Peninsula Pensions and the Investments Team will regularly review procedures and request the information that is necessary.</p> | <p>No change</p> |
| <p>9. Whether, where a person (other than an eligible child) is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit R83 & A52A</p> | <p>Peninsula Pensions will do this when the appropriate supporting paperwork (e.g. Power of Attorney or Court of Protection) is supplied.</p> | <p>No change</p> |
| <p>10. Date to which benefits shown on annual benefit statement are calculated R89(5) & L106A(5)</p> | <p>Benefit statements for active members are calculated as at 31st March in each year. Benefit statements for deferred and pension credit members are calculated as at the Pensions Increase date each year (6th – 12th April).</p> | <p>No change</p> |
| <p>11. Extend time limit for acceptance of a transfer value beyond 12 months from joining the LGPS</p> | <p>New discretion under 2013 regulations. Previously only the employer had the discretion to extend this time limit.</p> | <p>Accepting a late transfer can have funding implications if the employee is subsequently retired early. The employer's decision on this matter will be</p> |

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| | | followed. |
| 12. Allow transfer of pension rights into the Fund R100(7) | Devon currently accepts all transfers-in from a registered pension scheme. | No change |
| 13. Agree to bulk transfer payment R98(1)(b) | Decision is joint with fund actuary and the trustees of the new scheme. Devon will agree to a bulk transfer payment where appropriate. | No change |
| 14. Frequency of payment of councillors' contributions L12(5) | This is defined by salary payments. Devon requires employers to make payment of contributions within 7 days of deduction. | No change |
| 15. Apportionment of children's pension among eligible children (children of councillor members and children of post 31.03.98/pre 01.04.08 leavers) L47(1) & G11(1) of 1995 regs | Pension is divided equally between eligible children and the pension for remaining children is recalculated when each child is no longer eligible. | No change |
| 16. Commute benefits due to exceptional ill-health (councillor members, pre 01.04.08 leavers or pre 01.04.08 pension credit members L47(2) | Peninsula Pensions will determine if this is appropriate based on the medical evidence received | No change |
| 17. Whether acceptance of AVC election is subject to a minimum payment (councillors only) | No minimum has been set. | No change |
| 18. Timing of pension increase payments by employers to fund (pre 01.04.08 leavers) L91(6) | This only applies to PI paid under the 1971 Act relating to the closed Water Authorities Fund (now Environment Agency) The Environment Agency has now made a one-off payment in respect of this liability. | No change |
| 19. Retention of CEP where a member transfers out (councillors and pre 01.04.08 leavers) L118 | This only applies where the contracted-out liability is retained in the Fund. Where the contracted-out liability is retained in the Fund an appropriate sum will be deducted from the transfer value. | No change |

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| <p>20. Whether to pay spouse's pensions for life for pre 01.04.98 retirees/deferreds who die on or after 01.04.98</p> | <p>Before 01.04.98 the rules required that a spouse's pension ceased on remarriage or cohabitation Devon now pays all spouse's pensions for life irrespective of the member's leaving date</p> | <p>No change</p> |
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**DEVON COUNTY COUNCIL PENSION FUND
ADMINISTERING AUTHORITY DECISIONS – IN PLACE OF DEFUNCT EMPLOYER**

ANNEX C

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| <p>1. Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement R30(8)</p> | <p>New discretion under 2013 regulations</p> | <p>This is usually an employer's decision but AA is required to make decision when member's employer is no longer a Fund employer. This decision is delegated to a Deputy County Treasurer</p> |
| <p>2. Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age R30(8)</p> | <p>New discretion under 2013 regulations</p> | <p>This is usually an employer's decision but AA is required to make decision when member's employer is no longer a Fund employer. This decision is delegated to a Deputy County Treasurer</p> |
| <p>3. Whether to 'switch on' the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 TPSch 2 paras 1(2) and 2(2)</p> | <p>New discretion under 2013 regulations</p> | <p>This is usually an employer's decision but AA is required to make decision when member's employer is no longer a Fund employer. This decision is delegated to a Deputy County Treasurer</p> |
| <p>4. Whether to waive any actuarial reduction on pre and/or post April 2014 benefits TP3(1), TPSch 2 paras 2(1) and 2(2), B30(5) and B30A(5)</p> | <p>New discretion under 2013 regulations</p> | <p>This is usually an employer's decision but AA is required to make decision when member's employer is no longer a Fund employer. This decision is delegated to a Deputy County Treasurer</p> |
| <p>5. Whether to use a certificate produced by an IRMP under the 2008 Scheme for the purposes of making an ill-health determination under the 2014 Scheme.</p> | <p>New discretion under 2013 regulations</p> | <p>Only a current certificate will be accepted</p> |

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| TP12(6) | | |
| 6. Decide whether deferred beneficiary meets criteria of being permanently incapable of former job because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years, whichever is the sooner R38(3) | New discretion under 2013 regulations | This is usually an employer's decision but AA is required to make decision when member's employer is no longer a Fund employer. This decision is delegated to a Deputy County Treasurer |
| 7. Decide whether deferred beneficiary meets permanent ill health and reduced likelihood of gainful employment criteria (pre 01.04.14 leavers) B31(4) | New discretion under 2013 regulations | This is usually an employer's decision but AA is required to make decision when member's employer is no longer a Fund employer. This decision is delegated to a Deputy County Treasurer |
| 8. Decide whether a suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health R38(6) | New discretion under 2013 regulations | This is usually an employer's decision but AA is required to make decision when member's employer is no longer a Fund employer. This decision is delegated to a Deputy County Treasurer |
| 9. Decide whether a suspended ill health tier 3 member is permanently incapable of undertaking any gainful employment (pre 01.04.14 leavers) | New discretion under 2013 regulations | This is usually an employer's decision but AA is required to make decision when member's employer is no longer a Fund employer. This decision is delegated to a Deputy County Treasurer |
| 10. Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60 (pre 01.04.14 leavers) B30(2) | New discretion under 2013 regulations | This is usually an employer's decision but AA is required to make decision when member's employer is no longer a Fund employer. This decision is delegated to a Deputy County Treasurer |
| 11. Whether to waive, on compassionate | New discretion under 2013 regulations | This is usually an employer's decision but |

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| grounds, the actuarial reduction applied to deferred benefits paid early under B30 (pre 01.04.14 leavers) B30(5) | | AA is required to make decision when member's employer is no longer a Fund employer. This decision is delegated to a Deputy County Treasurer |
| 12. Whether to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60 (pre 01.04.14 leavers) B30A(3) | New discretion under 2013 regulations | This is usually an employer's decision but AA is required to make decision when member's employer is no longer a Fund employer. This decision is delegated to a Deputy County Treasurer |
| 13. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A B30A(5) | New discretion under 2013 regulations | This is usually an employer's decision but AA is required to make decision when member's employer is no longer a Fund employer. This decision is delegated to a Deputy County Treasurer |