

LONDON BOROUGH OF WALTHAM FOREST PENSION FUND

STATEMENT OF ADMINISTERING AUTHORITY
DISCRETIONS POLICIES

Administering Authority statement of policy on discretions – effective 31 March 2015

Introduction

Waltham Forest Council, as administering authority to the London Borough of Waltham Forest Pension Fund, has determined their discretionary policies in accordance with the Local Government Pension Scheme Regulations 2013, as amended, and related legislation, and these are outlined in this statement. We will apply these policies to all current members in the Pension Fund, regardless of who their employer is. Where relevant, these policies equally apply to members who left pensionable service prior to 1 April 2014 (albeit only in relation to discretions exercised since the effective date of these policies), to councillor members and to pension credit members.

We reviewed and updated the content of these policies in line with legislation changes effective since 1 April 2014. These amended policies were approved at the Waltham Forest Council Pension Committee on 4 March 2015 and are effective from 31 March 2015 unless stated otherwise within this statement.

We retain the right to change these policies at any time as long as we republish the amended policy at least within one month of when the change(s) we are introducing come(s) into effect.

These policies do not give, nor shall they be deemed to give, any contractual rights to any member of the Pension Fund, or to any other person whatsoever. Nothing in this document will cause the Pension Committee's capacity to exercise its discretionary powers to be unlawfully fettered or restricted in any way.

We will exercise these discretions in line with the provisions of the various LGPS Regulations and other legislation. Nothing within this statement can overwrite the legal requirements within those provisions.

We will review the policies within this statement as required in the light of future changes to the LGPS legislation or other relevant legislation. It will also be reviewed at least yearly.

Administering Authority Discretions under the Local Government Pension Scheme

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Waltham Forest Pension Fund Policy
Key Strategies and Policies			
1	R13 - 55	Publish a Governance Policy stating how functions are delegated and whether the Administering Authority complies with guidance given by the Secretary of State	A copy of the current Governance Policy can be found on the Pension Fund's website.
2	R13 - 58	Decide on the Funding Strategy for inclusion in funding strategy statement	Agreed in co-operation with actuary. A copy of the current Funding Strategy can be found on the Pension Fund's website.
3	R13 - 61	Develop a Communication Policy setting out how the Administering Authority communicates with members, representatives of members, prospective members and employing authorities and the format, frequency and method of communications	A copy of the current Communications Policy can be found on the Pension Fund's website.
4	R13 – 59(1) and (2)	Decide whether to have a written Pensions Administration Strategy and, if so, the matters it should include	A copy of the current Administration Strategy can be found on the Pension Fund's website.
Disputes			
5	R13 – 74(1) A58 R97 - 100	Appoint a person for dealing with applications under Stage One of the dispute resolution procedures (IDRP) in relation to any disputes relating to the role as Administering Authority (includes in relation to councillor members)	The Service Delivery Manager or Technical Officer at Capita act as the Stage One IDRP assessor for Administering Authority disputes.

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Waltham Forest Pension Fund Policy
6	R13 – 76(4) A60(8) R97 - 99	Decide the procedure to be followed by the Administering Authority when exercising its Stage Two IDRPs functions (includes in relation to councillor members)	Stage 2 determinations are dealt with by the Director of Finance of the London Borough of Waltham Forest, after obtaining relevant advice and guidance.
7	R13 – 79(2) A63(2) R97 – 105(1)	Whether Administration Authority should appeal to the Secretary of State against an employer decision (or lack of a decision) – includes in relation to councillor members.	The Fund will appeal to the Secretary of State when there is sufficient evidence that an employer has made a decision or committed an act (or failed to act) that is both wrong in law and material, where we have been unable to persuade the employer to alter its actions (or inactions). Such matters will be decided by the Director of Finance.
<i>Admission Agreements and Employer Management</i>			
8	R13 –Sch 2, Part 3, Para 1	Whether to agree to an admission agreement with an external employer.	Please see our separate Admissions Policy.
9	R13 – 4(2)(b)	Whether to agree to an admission agreement with a Care Trust, NHS Scheme employing authority or Care Quality Commission	This will be subject to agreement by the Pension Committee.

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Waltham Forest Pension Fund Policy
10	R13 – Sch 2, Part 3, para 9(d)	<p>Whether to terminate a transferee admission agreement in the event of</p> <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 	Please see separate Admissions Policy.
11	R13 – Sch 2, Part 3, para 12(a)	<p>Employees of a contractor are only entitled to remain in the LGPS whilst they continue to be employed in connection with the original services that were transferred. This expression should be defined by the Administering Authority.</p>	This is defined as meaning an employee will be expected to work at least 50% of their time on the services covered by the contract to remain in the LGPS.
12	R13 - 54(1)	Whether to set up a separate admission agreement fund	Please see our separate Admissions Policy.
13	R13 – 64(4)	Whether to obtain a revision of the rates and adjustments certificate if there are circumstances that make it likely that a Scheme Employer will be ceasing.	This will be decided by the Director of Finance in accordance with the Fund's Admission Policy taking into consideration the advice of the Fund Actuary
14	R13 - 65	Whether to obtain a new rates and adjustments certificate if the Secretary of State amends the Regulations as part of the “cost sharing” valuation	This will be decided by the Director of Finance taking into consideration the advice of the Fund Actuary.

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Waltham Forest Pension Fund Policy
15	R13 – 68(2) TP14 – Sch 2, Para 2(3) R97 – 80(5)	Whether to require any strain on Fund costs to be paid “up front” by an employer following redundancy / business efficiency, flexible retirement, or the waiver (in whole or in part) of any actuarial reduction on voluntary or flexible retirement.	Where costs arise from an employer’s decision to allow early retirement, these costs will be met by an internal recharge or invoice, as appropriate. The council and external employers (including schools) will be required to meet any strain cost payment, this can be either paid within the financial year in which the early retirement, on any grounds, takes place or spread over a three year period.
16	R13 – 80(1)(b) TP14 – 22(1) A64(1)(b)	What information should be supplied by employers to enable administering authority to discharge its functions	The Third Party Administrator will determine the format and frequency of information. Details are available in the Pension Administration Strategy (PAS) and Employers' Guide, a copy of which can be found on the Pension Fund's website.
17	R13 – 69(1)	Decide frequency of payment of contributions to the Fund by employers and whether to make an administration charge for late receipt.	Details are included in the Pension Administration Strategy (PAS), a copy of which can be found on the Pension Fund's website.
18	R13 – 69(4)	Decide the format and frequency of information from employers to accompany payments of contributions to the Fund	The Third Party Administrator will determine the format and this frequency of information. Further information is available in the Pension Administration Strategy (PAS) and Employers' Guide, a copy of which can be found on the Pension Fund's website.
19	R13 – 70 TP14 – 22(2)	Whether to issue an employer with a notice to recover additional costs incurred as a result of the employer’s level of performance	Details are included in the Pension Administration Strategy (PAS), a copy of which can be found on the Pension Fund's website.

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Waltham Forest Pension Fund Policy
20	R13 – 71(1)	Whether to charge interest on payments by employers overdue	Details are available in the Pension Administration Strategy (PAS), a copy of which can be found on the Pension Fund's website
21	R13 – 36(3) A56(2) R97 – 97(10)	The Administering Authority is required to approve medical advisors used by employers (for the determination of ill health benefits) – including in relation to councillor members.	The Director of Finance will determine whether an employer can use an alternative Occupational Health Provider to the Council's own provider.
<i>Payments relating to Death</i>			
22	R13 – 82(2) A52(2) R97 - 95	A death grant due to a scheme member's estate, can be paid to the personal representative(s), or anyone appearing to be, without the need for grant of probate / letters of administration if the death grant is less than the amount specified in any order under Section 6 of the Administration of the Estates (Small Payments) Act 1965 (£5,000 at the time of the making of this policy). This also relates to councillor members.	The Fund will normally pay the death grant without production of grant of probate / letters of administration in such cases, subject to the agreement of the Director of Finance.

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Waltham Forest Pension Fund Policy
23	R13 – 17(12), 40(2), 43(2) & 46(2) TP14 – 17(5) to (8) B23(2), 32(2) & 35(2) T08Sch1 R97 - 38(1) & 155(4) R95 - E8	The Administering Authority may, at its absolute discretion, pay any death grant due (including AVCs, SCAVCs and life assurance relating to AVCs) to or for the benefit of the member’s nominee, personal representatives or any person appearing to the authority to have been a relative or dependent of the member. This also relates to councillor members.	Delegated powers to decide who is to receive payment of death grants have been given to any two of the following – <ul style="list-style-type: none"> • Director of Finance • Treasury and Pensions Manager • Head of HR A quorum of two of the officers is required for a decision to be made.
24	R13 – Sch 1 TP14 – 17(9)(b) B25	The Administering Authority must decide the evidence required to determine financial dependence of a co-habitee on a scheme member or financial interdependence between the co-habitee and the scheme member	We will provide the appropriate parties with the details of the evidence required to determine financial dependence or interdependence, and the final decision about any cases will be made by the Director of Finance based on the evidence provided.
25	TP14 – 3(6), 4(6)(c), 8(4), 10(2)(a), 17(2)(b) B10(2)	Where member to whom B10 applies (use of average of 3 years pay for final pay purposes) dies before making an election, the Administering Authority can decide whether to make that election on behalf of the deceased member	This discretion will automatically be applied if it would result in higher benefits being paid.
26	TP14 – 3(6), 4(6)(c), 8(4), 10(2)(a) & 17(2)(b) T08 - Sch 1 R97 - 23(9)	Whether to make an election on behalf of a deceased member who had a certificate of protection of pension benefits so their benefits may be calculated using the best pay figure	This discretion will automatically be used if it would result in higher benefits being paid.

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Waltham Forest Pension Fund Policy
27	R97 - 22(7)	Whether to select an alternative final pay period for deceased non-councillor member (applies to leavers between 31st March 1998 and 1st April 2008)	This discretion will automatically be used if it would result in higher benefits being paid.
28	R13 – Sch 1 "Eligible Child" TP17(9)	Whether to treat a child as being in continuous education or vocational training, despite a break (including a child of a councillor member) so that the child's pension resumes after the break.	We will normally accept short breaks including term holidays, and also gap years, as being interruptions in education/training and will restart a suspended child's pension at the end of such a break or gap, providing confirmation from the relevant body is received that education/training has resumed. The Director of Finance will decide each case on its own merits.
29	R97 - 47(1) R95 – G11(1)	How to apportionment children's pension amongst eligible children (children of councillor members and children of leavers between 31 st March 1998 and 1 st April 2008)	Where there is more than one eligible child, the Fund will normally divide a children's pension equally between the eligible children, with delegated authority given to the Director of Finance to determine what is appropriate.
30	B27(5) R97 – 47(2) R95 – G11(2)	Whether to pay the whole or part of a child's pension to another person for the benefit of the child (includes children of councillor members). This applies to pre 1 st April 2014 leavers only.	Where a child is below the age of 17, we will normally pay his/her pension to the person who has the care of the child, to be applied for the benefit of that child. This will be decided on a case by case basis by the Director of Finance.
31	R95 - F7	Whether or not to suspend of spouses' pensions during remarriage or cohabitation	We will not suspend spouse's pensions and therefore they will be paid for life.
<i>Transferring or Linking Benefits</i>			

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Waltham Forest Pension Fund Policy
32	R13 – 98(1)(b)	Whether to agree to the payment of a bulk transfer	Please see our separate Admissions Policy which also covers bulk transfer payments.
33	R13 – 100(6)	The Administering Authority (with the agreement of the employer) may extend the 12 month time limit for a scheme member to elect to transfer in benefits from a non-local government pension scheme or personal pension plan.	We expect scheme members to request all transfers within 12 months, and will only extend the 12-month time limit in exceptional circumstances where the scheme member can demonstrate the reason for their late request was outside of their control. The Director of Finance will determine any such requests in consultation with the employer.
34	R13 – 100(7)	Whether to allow transfers of pension rights into the Fund	We will accept all transfer values (subject to meeting the appropriate timescales).
35	TP14 – 15(1)(d) & A28(2)	Whether to charge a scheme member for the provision of an estimate of the additional pension that would be provided in the Fund in return for a transfer in of in house AVC/SCAVC funds (only applies where the arrangement was entered into before 1 st April 2014)	<p>Scheme members may request one quote per financial year that is provided free of charge. In the exceptional case that a further quote is requested by the same member, we reserve the right to impose an administration charge on the scheme member equivalent to the charge for additional retirement quotes as per the Pension Administration Strategy in force at the time of the request, a copy of which can be found on the Pension Fund's website.</p> <p>The decision as to whether to impose this charge will be made on a case by case basis by the Director of Finance.</p>

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Waltham Forest Pension Fund Policy
36	TP14 – 10(9)	Where a deferred member also has ongoing multiple concurrent employments, the member may be able to choose which employment the deferred benefits are aggregated with. We can decide this where the member does not make their own election within 12 months.	The Third Party Administrator will decide this based on what appears to be the most beneficial approach at the point 12 months after the person became a deferred member for that employment.
37	R97 - 118	Whether the Fund will retain the Contributions Equivalent Premium (CEP) where a scheme member transfers out to a contracted in pension scheme (for councillor members and pre 1.4.08. leavers)	The CEP amount will be retained by the Fund and used towards providing the balance of benefits due to the scheme member.
Other Miscellaneous Discretions			
38	R13 – 89(5) R97 – 106A(5)	The date to which benefits shown on the Annual Benefit Statements are calculated	All annual benefit statements will be calculated as at the 31st March preceding their distribution.
39	TP14 – 3(13) A70(1) & A71(4(c)) T08 – 12 R97 – 109 & 110(4)(b)	Abatement of pensions on re-employment (applies to pre 1 April 2014 retirees only including councillor members)	Retirement benefits are not abated and any that are subject to abatement as at 1 April 2015 will cease to be abated from that date.
40	R13 – 22(3)(c)	The pension account may be kept in such form as is considered appropriate	The Third Party Administrator will determine the form a pension account should be kept in.

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Waltham Forest Pension Fund Policy
41	R13 – 83 A52A	An Administering Authority may determine how and to whom benefits may be paid if the recipient is incapable of managing their affairs by reason of mental disorder or otherwise	In these circumstances we may decide to pay some or all of the benefit to someone else to be applied for the benefit of the scheme member. The Director of Finance will decide these matters on a case by case basis.
42	R13 – 16(1)	Whether to turn down a request to pay an APC/SCAPC by regular contributions over a period of time where it would be impractical to allow such a request, for example, due to the pension being bought resulting in very small payments	We will not decline a request unless an employer asks us to and, if an employer does so, the Director of Finance will decide whether to decline the request
43	R13 – 16(10)	Whether to require a satisfactory medical before agreeing to an application to pay an APC or SCAPC	Any scheme member wishing to purchase additional pension via an APC/SCAPC will be required to undergo a medical examination and to be found to be in reasonable health prior to being permitted to commence payment of additional contributions.
44	R13 – 32(7)	A scheme member wishing to receive benefits other than at normal pension age, or on flexible retirement, must elect to do so within certain time limits. The Administering Authority may extend these time limits.	We expect any elections to be made within the time limits in the regulations. However, the time limit may be extended by the Director of Finance in exceptional circumstances.
45	TP14 – 15(1)(c) T08 - Sch1 & R97 - 83(5)	Whether to extend the time period for a scheme member electing to capitalise remaining contributions to an added years contract in cases of redundancy	We will normally apply the prescribed 3 month time limit, however the Director of Finance may extend this in exceptional circumstances.

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Waltham Forest Pension Fund Policy
46	R13 – 34(1) B39 T08 - 14(3) R97 – 49 & 156	The Administering Authority may commute small pensions into a lump sum where they are below nationally prescribed limits.	We will pay a lump sum in lieu of a pension which falls below the nationally defined limits unless the member elects to continue to receive the pension as an ongoing payment.
47	R13 – 49(1)(c) B42(1)(c)	Decide, in the absence of an election from the scheme member, which benefit is to be paid where the member would be entitled to a benefit under two or more regulations in respect of the same period of Scheme membership	These will be decided on a case by case basis by the Director of Finance Services.
48	R97 - 147	Whether to permit a Pension Credit to remain in the Fund or require a transfer out	The Third Party Administrator will deal with these cases in accordance with the Pension Credit member's wishes.
49	R97 - 50 and 157	Whether to commute benefits due to exceptional ill-health (applies to councillor members and pre 1 st April 2008 leavers only)	In these circumstances, we will pay a lump sum in lieu of a pension unless the member elects for it not to be paid.
50	R97 - 91(6)	The Administering Authority may determine the timing of pension increase payments by employers to Fund (applies to pre 1 st April 2008 leavers only)	Any such payments must be made monthly.
<i>Discretions relating to employers which no longer exist</i>			
51	R13 – 38(3) & 38(6) B31(4) and 31(7)	A former employer must decide whether a deferred member meets the criteria for permanent ill health. This also applies to a scheme member who was formerly in receipt of Tier 3 ill-health benefits. The Administering Authority may decide this if that employer no longer exists.	We will follow the policy of the employer immediately before it ceased to be a Scheme employer where possible. If this is not known, we will follow the policy of Waltham Forest Council as the main employer in the Fund.

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Waltham Forest Pension Fund Policy
52	B30(2) and 30A(3)	<p>An employer may consent to the early payment of reduced retirement benefits for scheme members between age 55 and 60, who are deferred members or former Tier 3 Ill-Health members. For a small group of employees this could be paid from age 50. The Administering Authority may decide this if that employer no longer exists.</p> <p>This only applies to members who left before 1 April 2014.</p>	<p>We will follow the policy of the employer immediately before it ceased to be a Scheme employer where possible. If this is not known, we will follow the policy of Waltham Forest Council as the main employer in the Fund.</p>
53	TP14 – Sch 2, Paras 1(2) and 2(2)	<p>An employer can choose to allow rule of 85 protections to apply to a scheme member’s benefits on voluntary retirement. In doing this some or all of the early retirement reduction would not apply. This provision can only apply to scheme members who have reached age 55. The Administering Authority may decide this if that employer no longer exists.</p>	<p>We will follow the policy of the employer immediately before it ceased to be a Scheme employer where possible. If this is not known, we will follow the policy of Waltham Forest Council as the main employer in the Fund.</p>
54	TP14 – 3(1), Sch 2, Paras 2(1) and 2(2) B30(5) and 30A(5)	<p>An employer can choose whether to waive on compassionate grounds any reduction to benefits that might otherwise apply. This can also apply to former Tier 3 Ill-Health members. The Administering Authority may decide this if that employer no longer exists.</p>	<p>We will follow the policy of the employer immediately before it ceased to be a Scheme employer where possible. If not, we will follow the policy of Waltham Forest Council as the main employer in the Fund.</p>
55	R13 – 30(8)	<p>An employer can choose to waive, in whole or in part, any reduction that might otherwise apply to that scheme member’s benefits on flexible retirement. The Administering Authority may decide this if that employer no longer exists.</p>	<p>We will follow the policy of the employer immediately before it ceased to be a Scheme employer where possible. If this is not known, we will follow the policy of Waltham Forest Council as the main employer in the Fund.</p>

Ref	Regulation Reference (see key at end)	Description of Discretion	London Borough of Waltham Forest Pension Fund Policy
56	R13 – 30(8)	An employer can choose to waive, in whole or in part, any early retirement reduction that might otherwise apply to a scheme member's benefits on voluntary retirement. These provisions only apply to scheme members who have reached age 55. The Administering Authority may decide this if that employer no longer exists.	We will follow the policy of the employer immediately before it ceased to be a Scheme employer where possible. If this is not known, we will follow the policy of Waltham Forest Council as the main employer in the Fund.

Discretions under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)

Ref	Regulation Reference	Description of Discretion	London Borough of Waltham Forest Pension Fund Policy
57	31(2)	Where an employer terminates employment early, the Administering Authority may agree to pay compensation on behalf of employer from the Fund and recharge payments to employer	The Administering Authority will pay compensation on behalf of employer from the Fund and recharge payments to employer

***Key to Regulation References:**

- R13 – The Local Government Pension Scheme Regulations 2013
- TP14 – The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014
- A – The Local Government Pension Scheme (Administration) Regulations 2008
- B – The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007

- T08 – The Local Government Pension Scheme (Transitional Provisions) Regulations 2008
- R97 – The Local Government Pension Scheme Regulations 1997
- R95 - The Local Government Pension Scheme Regulations 1995

*Note that references to old provisions (e.g. R97) generally apply in relation to scheme members who left under those provisions.