

Local Government Pension Scheme Bulletin



Issue 1

5th January 2024

Employer Discretions

Scheme employers are required to publish and keep under review a statement of policy to explain how they will apply certain discretions that exist within the LGPS regulations. This allows employers flexibility in managing some issues relating to the LGPS benefits of their scheme members, although exercising these discretions can have immediate costs that would need to be funded.

As part of good governance, I am currently conducting a review of this area. Although 85% of employers with active members have a published policy, approximately 70% are over five years old and it is good practice for these documents to be reviewed more regularly.

I have therefore updated the standard policy template and created a guide to help employers make informed decisions. As a starting point, you will need to refer to your existing policy document before deciding how to complete the new template.

Note that there are some changes to the original templates:

- Example policies for each discretion have been included and employers have the opportunity to state whether they wish to adopt this. There is no compulsion to do this. Ultimately employers must decide the approach that is appropriate for them.

- The original document combined some areas where discretions were very similar. The new version separates those out, but groups them together within the document so it is clearer which regulation each discretion relates to.
- Some of the original non-mandatory discretions have been removed from the document, notably relating to Shared Cost AVCs. Employers can still have a policy on whether to adopt SCAVCs, but you do not need to include this within this document.

A Teams session has been scheduled for 23rd January 2024 at 10am to discuss how to complete the template. If you would like to attend, please contact Stuart Wells stuart.wells@leics.gov.uk for more information.

I would ask **all** employers to complete and return the attached template by 31st March 2024. Please send it to pensionsemployerliaison@leics.gov.uk.

- Please ensure that your policies are approved at the appropriate level before publishing and returning to the Pensions Section. The approver could be Head of HR / Assistant Director / Employment Committee or similar.
- Ensure that a single organisational response is provided.
- It is the aim to review these policies every three years.
- If you have any questions regarding completion of the template, please contact Stuart Wells on 0116 305 6944 or stuart.wells@leics.gov.uk.

Regards,
Ian Howe

Pensions Manager