



Fermanagh & Omagh
District Council
Comhairle Ceantair
Fhear Manach agus na hÓmaí

Fermanagh and Omagh District Council

Policy Statement for the Exercise of Employer Discretions

Northern Ireland Local Government Pension Scheme

| | |
|----------------------------|-----------------|
| Revised after Consultation | August 2025 |
| P&R | 15 October 2025 |
| Ratification by Council | 4 November 2025 |

TABLE OF CONTENTS

| | |
|---|-----------|
| Discretions under the 2014 Regulations | 4 |
| Power to grant extra annual pension (2014 Regulations, Reg 32) | 4 |
| Contributing to the cost when an employee purchases extra pension | 4 |
| 1. Flexible retirement for active member aged 55 or over | 5 |
| 2. 85 Year Rule | 6 |
| 3. Discretion to Waive Reductions on Early Retirement..... | 6 |
| 4. Contributing to a Shared Cost Additional Voluntary Contribution..... | 8 |
| 5. Aggregating benefits – When a concurrent employment ends..... | 8 |
| 6. Aggregating Deferred Benefits – Deferred Member again becomes Active | 9 |
| 7. Determining contribution rates for employees..... | 9 |
| 8. Calculating Assumed Pensionable Pay – Regular Lump Sums | 11 |
| 9. Whether to substitute a revised pensionable pay in calculating APP | 11 |
| 10. Time limit for elections to cover lost pension due to an absence with permission.... | 12 |
| Discretions exercised from 1 April 2015 in relation to members who ceased active membership between 1 April 2009 and 31 March 2015 | 12 |
| 11. Waiving reduction to deferred benefits..... | 12 |
| 12. Application of 85-year rule for deferred members | 13 |
| Discretions to be exercised from 1 April 2015 in relation to scheme members who ceased active membership between 1 February 2003 and 31 March 2009 | 14 |
| 13. Waiving reduction to deferred benefit | 14 |
| 14. Application of 85-year rule for deferred members | 14 |
| 15. Redundancy payment | 15 |
| 16. Enhanced compensation..... | 15 |
| Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2003 | 16 |
| 17. Abatement of annual compensatory added years pension | 16 |
| 18. Survivor compensatory added years apportionment..... | 18 |
| 19. Annual compensation suspension rules..... | 18 |
| 20. Annual compensation suspension rules – reinstatement | 19 |
| Consideration of requests on compassionate grounds | 20 |
| Policy Review | 21 |

Introduction

Fermanagh and Omagh District Council is required by the Regulations governing the Local Government Pension Scheme for Northern Ireland (the “Scheme Regulations”) to prepare a written policy statement setting out how it will exercise certain discretions under

- Local Government Pension Scheme Regulations (NI) 2014
- Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (NI) 2014
- Local Government Pension Scheme (Administration) Regulations (NI) 2009, in respect of leavers between 1 April 2009 and 31 March 2015
- Local Government Pension Scheme Regulations (NI) 2002 -in respect of leavers between 1 February 2003 and 31 March 2009.
- Regulation 66 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2007, effective from 1 October 2006; and
- Regulation 25 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2003, operative from 24 March 2003 for terminations of employment on redundancy or efficiency grounds that occurred prior to 1 April 2007.

Fermanagh and Omagh District Council also have a written policy statement in respect of certain other discretions. The policy in respect of these discretions is set out in the remaining sections. Decisions under this policy will be taken by the Council and will be subject to review in three years from the date of this policy, or sooner if regulations are amended, or weakness in the Policy are identified.

Throughout this policy statement, and unless otherwise stated, employee should also be taken to mean an active member of the LGPS NI; and Fermanagh and Omagh District Council ‘the Council’ the employer. The Council in exercising the discretions set out, will at all times

- exercise the discretions reasonably
- have regard to all relevant factors and no irrelevant factors
- record any decision taken in relation to the exercise of the discretions
- shall not act in a way that is likely to lead to a serious loss of confidence in the public sector

This policy statement sets out the Council’s general policy in relation to each discretion. However, Council’s discretion shall not be fettered by this Policy Statement. The Council will consider each case on its merits and may take into account exceptional circumstances. Where relevant and reasonable, the Council may request further information from an employee who is applying for a discretion to be exercised in the employee’s favour. The employee may refuse to provide the information, in which case the Council may proceed to make the decision without that information.

The Council is not required to consult with the recognised trade unions when it intends to adopt new or change existing discretionary policies. However, it will give appropriate notification to the

recognise trade unions for consultation purposes.

Discretions under the 2014 Regulations

Power to grant extra annual pension (2014 Regulations, Reg 32)

The Council has the power to grant extra annual pension to an active scheme member or to a member within 6 months of the date of a dismissal, or termination by mutual consent, for reasons of redundancy or business efficiency. The award is limited to an annual amount of £8,824 (2025/26 rates). These rates will be subjected to change thereafter, as notified to the Council by NILGOSC.

The Council's policy is:

The Council will not make use of the discretion to grant extra annual pension up to £8,824 (25/26 rates) to an active scheme member or within 6 months of leaving to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency except in exceptional circumstances where the Council considers it is in its financial or operational interests to do so.

Contributing to the cost when an employee purchases extra pension 2014 Regulations, Regs 18(2)(e) and 18(4)(d)

Members can decide to purchase extra annual pension of up to £8,675 (figure at 1 April 2024) by making Additional Pension Contributions (APCs). Under this discretion the Council can choose to contribute in whole or in part to the cost of the APC arrangement, which is known as a Shared Cost Additional Pension Contribution or SCAPC.

The Council's policy is:

The Council will only voluntarily contribute towards the cost of purchasing extra pension via a Shared Cost Additional Contribution (SCAPC) where in exceptional circumstances the Council considers it is in its financial or operational interests to do so. Each case to contribute to a SCAPC (and a decision on the amount to be contributed) will be considered on the merits of the financial and/or operational business case put forward.

1. Flexible retirement for active member aged 55 or over

2014 Regulations, Reg 31(6), and Transitional Regulations, Regs 10(2) and (3)

An employee aged 55 or over, who reduces working hours or grade/scale, may take flexible retirement with the Council's consent.

The Council has the discretion to decide

- whether to consent to an employee taking flexible retirement
- whether to waive, in whole or in part, any actuarial reduction of benefits where flexible retirement is taken before Normal Pension Age (NPA)

An employee who takes flexible retirement must take all benefits accrued prior to 1 April 2009 and may choose to take

- all, part or none of the benefits accrued after 31 March 2009 and before 1 April 2015, and
- all, part or none of the pension benefits they accrued after 31 March 2015

The Council's policy is:

The Council will agree to flexible retirement only in circumstances it considers it is in its financial or operational interests to do so. Each case:

- will be considered on the merits of the financial and/or operational business case put forward.
- will set out whether, in addition to any pre-1 April 2009 benefits, the member will be permitted, as part of the flexible retirement agreement, to take
 - a) all, some or none of their 1 April 2009 to 31 March 2015 benefits and/or
 - b) all, some or none of their post 31 March 2015 benefits and will require the approval of Council.

The Council will only consider requests for flexible retirement as a means to ease employees into full retirement for a period of no more than two years. There must be a reduction of at least 40% of the contractual hours of work or a reduction of two scales to a suitable vacant post. Any reduction will be a permanent change, and employees will not be permitted to subsequently apply for a position that would result in an increase of hours or salary.

Waiver of any actuarial reduction of flexible retirement: Where flexible retirement is agreed, the benefits payable will be subject to any actuarial reduction applicable under the Local Government Pension Scheme Regulations (Northern Ireland) 2014 and the Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations

(Northern Ireland) 2014. The Council will only waive any such reduction, in whole or in part, where it considers it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and/or operational business case put forward and will require Council approval.

2. 85 Year Rule

Schedule 3 of the Transitional Regulations

Whether, as the 85-year rule does not (other than on flexible retirement) automatically apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60, to switch the 85-year rule back on in full for such members.

Explanation:

- If the Council does agree to switch back on the 85-year rule in full, the Council will have to meet the cost of any strain on fund resulting from the payment of benefits before age 60 i.e. where the member has already met the 85 year rule, or would meet it before age 60.
 - The 85-year rule is satisfied if the person was a member of Scheme on 30 September 2006 and the member's age at the date they draw their benefits and their scheme membership (each in whole years) add up to 85 or more. If they are part-time, their membership counts towards the 85-year rule at its full calendar length.
-

The Council's policy is:

The Council will not agree to switch the 85 year rule on in full where members choose to voluntarily draw their benefits on or after age 55 and before age of 60 except in circumstances where the Council considers it is in its financial or operational interests to do so. Each case

- Will be considered on the merits of the financial and/or operational business case put forward and
- Will require the approval of the Council.

3. Discretion to Waive Reductions on Early Retirement

2014 Regulations, Reg 31 and Transitional Regulations, Schedule 3

Under Regulation 31(5) of the 2014 Regulations active members can choose to retire and take their pension early and deferred members can choose to draw their benefits

early, between age 55 and NPA. (Normal Pension Age)

Pension benefits are reduced for early payment (except in the case of ill-health retirement) by the amount shown in actuarial guidance issued by the Department. The amount of the reduction will vary in accordance with the age of the member, membership in the Scheme and the extent to which the transitional provisions with regard to the 85 Year Rule (Schedule 3 to the Transitional Regulations) apply to the individual member (if at all). Different parts of membership may have different reductions applied.

The Council has a discretion

- under Regulation 31(8) to waive any relevant reduction under Regulation 31(5) in whole or in part in respect of membership from 1 April 2015. No ground is stipulated by the Regulations.
 - under earlier Regulations to waive on compassionate grounds any relevant reduction in respect of membership before 1 April 2015
 - under Paragraph 2(1) of Schedule 3 to the Transitional Regulations to determine on compassionate grounds to waive in full any relevant reduction calculated in accordance with Schedule 3, in respect of membership before 1 April 2015.
-

Council policy is:

Where a member chooses to voluntarily draw their benefits on or after age 55 and before Normal Pension Age, the Council will only agree

- to waive on compassionate grounds any reduction on pre 1 April 2015 benefits and/or
 - to waive in whole or in part on any grounds any reduction on post 31 March 2015 benefits for Group 3 or 4 members, on post 31 March 2016 benefits for Group 1 members or, in post 31 March 2020 benefits for Group 2 members
- in circumstances where the Council considers it is in its financial or operational interests to do so or there are compelling compassionate reasons for doing so.

Each case

- will be considered on the merits of the financial and/or operational business case put forward, or
- will be considered on the merits of the compassionate case put forward and will require approval of the Council including, where the reduction is only to be waived in part, approval of the amount of reduction to be waived.

4. Contributing to a Shared Cost Additional Voluntary Contribution 2014 Regulations, Reg 19

Whether, how much, and in what circumstances to contribute to a shared cost Additional Voluntary Contribution (SCAVC) arrangement entered into on or after 1 April 2015 and whether, how much, and in what circumstances to continue to contribute to any shared cost Additional Voluntary Contribution (SCAVC) arrangement entered into before 1 April 2015.

The Council's policy is:

The Council will not enter into a shared cost AVC arrangement other than where the scheme member enters into the Council recognised SCAVC salary sacrifice arrangement.

5. Aggregating benefits – When a concurrent employment ends 2014 Regulations, Reg 24(7)(b)

When a member has concurrent employments and one of them ceases with an entitlement to a deferred pension, the deferred benefits from that employment must be aggregated with the pension account for the member's ongoing employment unless the member elects to keep the deferred benefits separate. The member has 12 months to make this election or such longer period as the employer in relation to the ongoing employment permits. The Council has the discretion to agree to extend time.

The Council's policy is:

1. The Council will only extend the 12 month time limit within which a scheme member with concurrent employments ceases an employment with entitlement to a deferred pension may elect not to have their deferred benefits aggregated with those in their ongoing employment's active member pension account.
 - (a) where the Council agrees that the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration;
 - (b) where the Council agrees that the available evidence indicates the member had made an election within 12 months of ceasing the concurrent employment but the election was not received by NILGOSC (e.g. the election form was lost in the post); or
 - (c) where the member has pre 1 April 2015 membership and the Council agrees the available evidence indicates that, due to maladministration, the member had not been informed of the implications of having separate benefits

6. Aggregating Deferred Benefits – Deferred Member again becomes Active

2014 Regulations, Reg 24(8)(c)

When a deferred member becomes an active member again, the member may elect to aggregate the benefits in the deferred pensions account with those in the new active member's pension account. The member must make the election within 12 months.

The Council has a discretion to extend time and allow the member to elect to aggregate benefits after the 12-month period has elapsed.

The Council's policy is:

The Council will only extend the 12-month time limit within which a deferred member who becomes an active member again may elect to aggregate the benefits in the deferred pensions account with those in the new active member's pension account

(a) Where the Council agrees that the available evidence indicates the member had not been informed of the 12-month limit due to maladministration

(b) Where the Council agrees that the available evidence indicated the member had made an election within 12 months of joining the LGPS (NI) but the election was not received by the Northern Ireland Local Government Officers' Superannuation Committee (e.g. the election form was lost in the post); or

(c) Where the member has pre 1 April 2015 membership and the Council agrees the available evidence indicates that due to maladministration, the member had not been informed of the implications of having benefits aggregated and would in consequence, suffer a detriment to their pension benefits (for example, where member's whole-time equivalent pensionable pay on commencing, with the Council is, in real terms after allowing for inflation, significantly more than the whole-time equivalent pensionable pay upon which the deferred benefits were calculated).

7. Determining contribution rates for employees

2014 Regulations, Reg 11

The regulations set out the rates of contributions that members must pay and these are divided into bands according to the pensionable pay of the member.

Explanation:

The Council must decide

- how it will determine an employee's contribution band/rate on joining the Scheme and at each subsequent April; and
 - if there is a material change to the member's terms and conditions of employment affecting pensionable pay during a Scheme year (1 April to 31 March), in what circumstances it will review that member's contribution band/rate.
-

The Council's contribution bandings in respect of local Pension Scheme (NILGOSC) is attached at Appendix 1.

Contributions Banding – Appendix 1. This will be updated annually on receipt of notification from Nilgosc.

The Contributions Banding Policy is also available on the Staff Hub.

8. Calculating Assumed Pensionable Pay – Regular Lump Sums

2014 Regulations, Reg 23(5)

The Council must provide NILGOSC with a member's Assumed Pensionable Pay (APP) when a member:

- is absent due to illness or injury and on reduced contractual pay or no pay
- is absent on child-related leave (as defined) and the actual pay received is not greater than APP would be for that period
- is absent on reserve forces service leave
- where an ill-health retirement or death has occurred

APP is calculated in accordance with Regulation 23. The annual rate of APP must include any regular lump sum payment received by the member in the 12 months prior to the relevant event, as set out above (Reg 23(4)(a)(iv) and 23(5)(a)(iv)). Regulation 23(5)

The Council's policy is:

In assessing Assumed Pensionable Pay (APP), the Council will not, other than in exceptional circumstances, include in the calculation any 'regular lump sum payments' in which case the decision to include the 'regular lump sum payment' will be subject to the approval of Council.

9. Whether to substitute a revised pensionable pay in calculating APP

2014 Regulations, Reg 23(5A) and (5B)

This discretion allows the Council to substitute a revised pensionable pay, instead of APP, where the pay received by the member during the reference period was materially different to the pensionable pay the member usually received.

The Council must have regard to the level of pensionable pay received by the member

in the previous 12 months

The Council's policy is:

In calculating APP, the Council will usually substitute a revised pensionable pay for the actual pensionable pay received in the reference period where the actual pensionable pay in that period is materially different to the pay normally received by the member. The revised pensionable pay used will reflect the member's normal pensionable pay.

In determining the member's normal pensionable pay, the Council will take into account the pensionable pay received by the member in the previous 12 months. Each case will be determined on its merits and exceptional circumstances will be taken into account.

10. Time limit for elections to cover lost pension due to an absence with permission

2014 Regulations, Regs 17(5) and 18(16)

If a member who has been absent with permission for more than 30 days, (other than on child-related leave, sick leave or reserve forces service leave) elects within 30 days of returning to work to take out an additional pension contract to cover the pension lost during the absence, the Council must pay two-thirds of the cost. The Council has the discretion to extend the 30-day period.

The Council will only extend the 30 day time limit where

- the member can demonstrate that the reason for missing the deadline was because the member had not been made aware of that deadline and/or
- in exceptional circumstances where the Council considers it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and /or operational business case put forward.

Discretions exercised from 1 April 2015 in relation to members who ceased active membership between 1 April 2009 and 31 March 2015

11. Waiving reduction to deferred benefits

Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations (Northern Ireland) 2009, Reg 30(5)

Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.

The Council's policy is:

The Council will consider an application to waive, on compassionate grounds, any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65. Each case will be considered on its merits and will be subject to the approval of the Council.

12. Application of 85-year rule for deferred members

Transitional Regulations, Schedule 3

Whether, as the 85-year rule does not (other than on flexible retirement) automatically apply to members who would otherwise be subject to it and who choose to voluntarily draw their deferred benefits on or after age 55 and before age 60, to switch the 85-year rule back on in full for such members.

Explanation:

- If the Council does agree to switch back on the 85-year rule in full, the Council, as the employer, will have to meet the cost of any strain on the fund resulting from the payment of benefits before age 60 i.e. where the member has already met the 85-year rule, or would meet it before age 60.
 - The 85-year rule is satisfied if the person was a member of the LGPS (NI) on 30 September 2006 and the member's age at the date they draw their benefits and their scheme membership (each in whole years) add up to 85 or more. If they are part-time, their membership counts towards the 85-year rule as its full calendar length
-

The Council's policy is:

The Council will not agree to switch the 85 year rule on in full where deferred members choose to voluntarily draw their deferred benefits on or after age 55 and before age 60 except in exceptional circumstances where the Council considers it is in its financial or operational interests to do so.

Each case

- will be considered on the merits of the financial and/or operational business case put forward, and
- will require the approval of the Council.
- The Council will have to meet the cost of any strain on the fund resulting from a decision to pay benefits before age 60 i.e. where the member has met the 85-year rule or would meet it before age 60.

Discretions to be exercised from 1 April 2015 in relation to scheme members who ceased active membership between 1 February 2003 and 31 March 2009

13. Waiving reduction to deferred benefit

Local Government Pension Scheme Regulations (Northern Ireland) 2002, Reg 33(5)

When a deferred member applies for early payment of pension under the 2002 Regulations, it is usually reduced in accordance with guidance.

The Council can choose on compassionate grounds to waive any actuarial reduction that would normally be applied to deferred benefits paid before age 65.

The Council's policy is:

The Council will consider an application to waive, on compassionate grounds, any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65. Each case will be considered on its merits and will be subject to the approval of the Council.

14. Application of 85-year rule for deferred members

Transitional Regulations, Schedule 3

Whether, as the 85-year rule does not (other than on flexible retirement) automatically apply to members who would otherwise be subject to it and who choose to voluntarily draw their deferred benefits on or after age 55 and before age 60, to switch the 85-year rule back on in full for such members.

- If the Council does agree to switch back on the 85-year rule in full, the Council will have to meet the cost of any strain on the fund resulting from the payment of benefits before age 60 i.e. where the member has already met the 85-year rule, or would meet it before age 60.
 - The 85-year rule is satisfied if the person was a member of the LGPS (NI) on 30 September 2006 and the member's age at the date they draw their benefits and their scheme membership (each in whole years) add up to 85 or more. If they are part-time, their membership counts towards the 85-year rule as its full calendar length
-

The Council's policy is:

The Council will not agree to switch the 85 year rule on in full where deferred members choose to voluntarily draw their deferred benefits on or after age 55 and before age 60 except in exceptional circumstances where the Council considers it is in its financial or operational interests to do so.

Each case will be considered on the merits of the financial and/or operational business case put forward and will require the approval of the Council.

The Council will have to meet the cost of the strain on the fund resulting from a decision to pay benefits before age 60 i.e.. where the member has met the 85-year rule or would meet it before the age of 60.

Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2007

15. Redundancy payment

Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2007, Reg 4

The Council can choose to base a redundancy payment on an employee's actual weeks' pay where this exceeds the statutory week's pay limit of, currently, £729 per week (as at April 2024).

The Council's policy is:

Any redundancy payment will be calculated on an employee's actual week's pay and not limited to the statutory weeks' pay limit where pay exceeds that limit.

For these purposes, the calculation of an employee's actual week's pay, where it exceeds the statutory maximum will not include the Council's pension contributions.

16. Enhanced compensation

Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2007, Reg 5

The Council may make a termination payment (inclusive of any redundancy payment) of up to a maximum of 104 weeks' pay to employees whose employment is terminated on the grounds of redundancy or business efficiency.

The Council's policy is:

The Council will not make a termination payment (inclusive of any redundancy payment) of up to a maximum of 104 weeks' pay to employees whose employment is terminated on the grounds of redundancy or efficiency of service, unless a collective agreement with the recognised trade unions to apply an enhanced compensation payment has been reached. In all cases, the multiplier will not exceed 3.466.

Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2003

17. Abatement of annual compensatory added years pension

Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2003, Regs 16 and 18

The Council can decide whether it will apply abatement to annual compensatory added years pension previously awarded to an employee, where that person is re-employed in local government employment, regardless of whether or not the employee chooses to re-join the Local Government Pension Scheme NI.

The Council's policy is:

The Council will, during any period of re-employment in local government (see note below), abate a person's annual compensatory added years' payment by the 'excess' if the aggregate of:

- the annual compensation, and
 - the annual pension from the LGPS (NI), and
 - the annual rate of pay from the new employment
- exceeds the pay the person would have received from the employment in respect of which the compensatory added years were granted, based on the annual rate of pay at the date of ceasing the former employment as increased by the relevant cost of living increases (i.e. as increased by the rate at which an 'official pension' is increased under the Pensions (Increase) Act 1971).

Where compensatory added years were awarded on or after 24 March 2003, the Council will reduce a person's annual compensatory added years' payment following the cessation of a period of re-employment in local government (see note below) to the extent necessary to secure that if:

- the period of compensatory added years granted in respect of the former employment, plus

- the period of membership the person has accrued in the LGPS (NI) (or would have accrued had he / she joined the scheme when first eligible to do so) during the period of re-employment in local government, counted at its part-time length, if the person was part-time,

Exceeds the period of membership the person would have accrued during the period from the cessation of the former employment until age 65 on the assumption that he / she had continued in that former employment to age 65 (again counted at its part-time length if the person was part-time at the date of cessation of the former employment),

Then, the annual pension and lump sum from the first job combined with the annual pension and lump sum from the second job (based on the assumption that the employee joined the LGPS (NI) when first eligible to do so), plus the annual compensation and lump sum compensation, shall not in aggregate exceed the pension and lump sum the person would have achieved if he / she had remained in the first job through to age 65.

Where there is an excess, the annual compensation will be reduced by the excess pension and, if the annual compensation is not reduced to nil, the amount of the remaining (reduced) basic annual compensation will then be suspended until the excess lump sum (if any) is recovered.

In calculating whether or not, in aggregate, the annual pension and lump sum from the first job, plus the annual pension and lump sum (if any) from the second job (based on the assumption that the employee joined the LGPS (NI) at the first opportunity), plus the annual compensation and lump sum compensation, exceeds the pension and lump sum the person would have achieved if he/she had remained in the first job through to age 65 it will be necessary to compare:

- (a) the actual LGPS (NI) pre 1 April 2009 1/80th pension and 3/80ths lump sum, plus, the actual LGPS (NI) post 31 March 2009 1/60th pension (ignoring any commutation for a lump sum), plus the actual 1/80th annual compensation and 3/80ths lump sum compensation, with
- (b) the 1/80th LGPS (NI) pension and 3/80ths lump sum the member would have achieved in their first job to 31 March 2009, plus the 1/60th LGPS (NI) pension the member would have achieved in their first job (ignoring any potential commutation for a lump sum), if the member had stayed in the first job through to age 65.

In determining the benefits the employee could have achieved had he / she remained in the first employment through to age 65 it will be necessary to determine the pensionable pay to be used in the calculation. For this purpose, the pensionable pay figure used in the calculation of the pension benefits in the first job will be used as brought up to date by increasing it in line with the Pensions Increase (Review) Orders.

If a person has been awarded more than one previous period of compensatory added years, e.g. as a result of being made redundant more than once, the abatement / claw back provisions are modified. In such a case, the rules under the former Local Government (Discretionary Payments) Regulations (Northern Ireland) 2001 will be applied where a person ceases a period of re-employment in local government and has previously been granted more than one period of compensatory added years, but using the pay in the first job as increased in line with inflation (i.e. ignoring regulations 17(5)(a)(ii), 17(6) and 17(7) of the Local Government (Discretionary Payments) Regulations (Northern Ireland) 2001.

Where compensatory added years were awarded before 24 March 2003, the Council will reduce a person's annual compensatory added years' payment following the cessation of a period of re-employment in local government (see note below) in accordance with the Local Government (Discretionary Payments) Regulations (Northern Ireland) 2001.

18. Survivor compensatory added years apportionment

Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2003, Reg 20(4)

Where a member is survived by more than one spouse or civil partner and there is a surviving spouse's or civil partner's annual compensatory added years pension, the Council must choose how it will be apportioned.

The Council's policy is:

The Council will apportion any surviving spouse's or civil partner's annual compensatory added years pension where the deceased person is survived by more than one spouse or civil partner in such proportions as, at its sole discretion, it sees fit (based on the merits of the individual case).

19. Annual compensation suspension rules

Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2003, Reg 20(5)

The Council can choose whether to suspend a surviving spouse's or civil partner's annual compensatory added years pension, where the survivor remarries, forms a civil partnership or cohabits. This applies to the surviving spouse or civil partner of a member who ceased employment before 1 February 2003.

The Council's policy is:

If the spouse or civil partner of a person who ceased employment before 1 February 2003 remarries, enters into a new civil partnership or cohabits after 1 February 2003, the spouse's

or civil partner's annual compensatory added years pension will continue to be paid.

20. Annual compensation suspension rules – reinstatement

Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2003, Reg 20(9)

Whether, where a spouse's or civil partner's annual compensatory added years pensions is suspended as a result of remarriage, entering into a new civil partnership or cohabitation, the spouse's or civil partner's annual compensatory added years pension should be reinstated after the end of the period of remarriage, new civil partnership or cohabitation.

The Council's policy is:

Where a spouse's or civil partner's annual compensatory added years pension is suspended as a result of remarriage, entering into a new civil partnership or cohabitation, the spouse's or civil partner's annual compensatory added years pension will not be reinstated after the end of the period of remarriage, new civil partnership or cohabitation.

Consideration of requests on compassionate grounds

Each request on compassionate grounds will be considered in exceptional circumstances on its own merits.

The main criteria the Council will consider as compassionate grounds are

- to allow employees or former employees to care for a sick spouse, civil partner, co-habiting partner, parent, child, sibling or other dependant as that person's sole or main carer; and/or
- on grounds of long-term severe financial hardship.

Proven long-term severe financial hardship means that the member's long-term expenditure on basic living requirements (e.g. food, heat, electricity, rent or mortgage, clothing) exceeds the member's income from all sources and the member has either no or minimal savings. Long-term means greater than 12 months.

The member must provide the Council with relevant information and evidence supporting the application. If the member refuses to provide information to the Council, then the Council may proceed to make a decision without that information.

Relevant information and documents may include (without limitation):

- Where the member wishes long-term severe financial hardship to be considered:
 - Full details of long-term severe financial hardship.
 - Details of all employments held since leaving the Council's employment.
 - Details of all income, pensions deferred or in payment and any other benefits receivable including state benefits and crisis loans.
 - Details of savings accounts or savings-type insurance policies.
 - Copies of bank statements.
 - Detailed list of expenditure.
- Where the member wishes caring responsibilities to be considered:
 - Medical reports, if appropriate, to support a case of retirement to look after an elderly or infirm spouse, civil partner, co-habiting partner, child, parent, sibling or other dependant.
 - Evidence that the member is the sole or main carer.

The Council may also request any such other information and evidence as may be relevant to the decision, where it is reasonable to request same from the member.

Policy Review

The Council's Policy Statement on Employer's Discretions was last reviewed in March 2018. This review has been conducted in 2025; the next review will be due in three years' time or earlier if required and in line with any changes Nilgosc make to their guidance. It is proposed that this policy is reviewed prior to 6 April 2028 in line with the change of access to pension from age 55 to 57.

Contact Officer: Thelma Browne, Head of Human Resources and Organisation Development.

Tele: 0300 303 1777 Email: Thelma.browne@fermanaghomagh.com

Appendix 1

The contributions banding table and policy are available on the Council's staff hub. The contributions banding will be uploaded to the Staff Hub on a yearly basis on notification from Nilgosc – see next page for current banding.

Circular 03/2025
 20 February 2025

To: Salaries and Wages
 Human Resources
 Templeton House
 Pension Contacts

At: All Employing Authorities

Dear Colleagues,

1. Employees' Contribution Rate Bands for 2025/26

The Department for Communities has advised that the revised employees' pensionable pay ranges set out below will apply for the year from 1 April 2025. The Consumer Prices Index in the twelve months to September 2024 of 1.7% has been applied.

| Band | Pensionable Pay Range | Contribution Rate Main section | Contribution Rate 50/50 section |
|------|-----------------------|--------------------------------|---------------------------------|
| 1 | £0 to £18,300 | 5.5% | 2.75% |
| 2 | £18,301 to £28,100 | 5.8% | 2.90% |
| 3 | £28,101 to £47,000 | 6.5% | 3.25% |
| 4 | £47,001 to £57,200 | 6.8% | 3.40% |
| 5 | £57,201 to £113,500 | 8.5% | 4.25% |
| 6 | More than £113,500 | 10.5% | 5.25% |