



## **Policy Statement on Employer Discretions under the Local Government Pension Scheme (Northern Ireland) 2014 Regulations and other related Regulations**

### **Background**

1. Fermanagh and Omagh District Council (the Council) is required to (or where there is no requirement, is recommended to) formulate, publish and keep under review a Statement of Policy on certain discretions it may exercise in accordance with:
  - i) the Local Government Pension Scheme Regulations (NI) 2014
  - ii) earlier LGPS Regulations (Northern Ireland) in respect of members of the LGPS who left prior to 1 April 2015, and
  - iii) the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2007 and earlier compensation regulations.
2. In formulating and reviewing it's policies under the LGPS Regulations referred to above the Council has considered:
  - i) whether and to what extent the exercise of it's discretionary powers could lead to a serious loss of confidence in the public service, and
  - ii) that the policy is workable, affordable and reasonable having regard to the foreseeable costs.
3. Decisions under this policy will be taken by the Council and will be supported by a business case outlining how it is in the financial and/or managerial interests of the Council to exercise it's discretions.
4. Any amendments to this policy will be published and sent to the Northern Ireland Local Government Officers' Superannuation Committee within one month of the date the revisions to the policy were made.
5. This policy statement applies to the exercise of discretions under the above regulations in relation to:
  - i) active scheme members and members who cease active membership after 31 March 2015, and
  - ii) scheme members who ceased active membership prior to 31 March 2015 (deferred members).

### **Consultation**

6. 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 was

considered appropriate to give advance notification to the recognised trade unions that this policy would be considered by the Council and a draft was shared with the Local Consultation and Negotiation Forum.

## Effective date of policies

7. The policies on discretions to be exercised under the LGPS Regulations (Northern Ireland) 2014 take immediate effect from the date the Council agrees the policies, or from 31 July 2015.
8. Any change to the discretions exercised under the Discretionary Compensation Regulations 2003 and 2007 cannot take effect until one month after the date the Council publishes a statement of its amended policy.

## Non-fettering of discretions

9. In applying its policy discretions the Council will act reasonably and will not fetter the employer's discretion and will only exercise discretion where it is deemed essential to assist in attracting and retaining employees or to compensate employees who leave through no fault of their own.
10. The policies will confer no contractual rights and whilst the Council will endeavour to discuss changes with the recognised trade unions the Council retains the right to change the policies at any time without prior notice or consultation.
11. Only the policy which is current at the time a relevant event occurs to an employee / scheme member will be the one applied to that employee / member.

## Employer Discretions

- 12. Discretions to be exercised on and after 1 April 2015 under the LGPS Regulations (Northern Ireland) 2014 in relation to active scheme members and members who cease active membership after 31 March 2015.**

Discretion and explanation	Fermanagh and Omagh District Council policy
<p>1. <b>Discretion</b> – Power to grant extra annual pension (LGPS 2014, Regulation 32)</p> <p><b>Explanation.</b> Whether, at full cost to the Council, to grant extra annual pension of up to £6,500 (figure at 1 April 2015) 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</p>	<p>The Council will not make use of the discretion to grant extra annual pension of up to £6,500 (figure at 1 April 2015) 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</p>

<p>is terminated by mutual consent on the grounds of business efficiency.</p>	<p>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; to determine if and to what value any additional pension would be awarded.</p>
<p>2. <b>Discretion</b> – to contribute towards the costs of purchasing extra pension (LGPS 2014, Regulation 18)</p> <p><b>Explanation.</b> Whether, where an active scheme member wishes to purchase extra annual pension of up to £6,500 (figure at 1 April 2015) by making Additional Pension Contributions (APCs), the Council will voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC). The employee must make an election to pay an APC within 30 calendar days of returning to work or any such longer period that the employer may permit if there has been an administrative error.</p>	<p>The Council will only voluntarily contribute towards the cost of purchasing extra pension via a Shared Cost Additional Pension Contribution (SCAPC) where:</p> <ul style="list-style-type: none"> <li>- an active scheme member returns from a period of authorised leave of absence, and</li> <li>- the member does not, within 30 days of returning from the leave of absence, make an election to buy-back the amount of pension ‘lost’ during that period of leave of absence, and</li> <li>- the member subsequently makes an election to do so and it can be demonstrated that the reason for the member missing the original 30 day deadline was because the member had not been made aware of that deadline, and</li> <li>- the election is made no more than 6 months after the member returns from the period of leave of absence or such longer period as the Council may deem reasonable in any individual case.</li> </ul> <p>A decision on whether the member meets the above criteria (and on whether the 6 month period referred to should be extended in any individual case) will be taken by the council and, where it is agreed that the conditions are met, the Council will contribute 2/3rds of the cost of</p>

	<p>buying back the 'lost' pension via a SCAPC.</p>
<p>3. <b>Discretion – Flexible Retirement (LGPS 2014, Regulation 31)</b></p> <p><b>Explanation.</b> Whether to permit flexible retirement for staff aged 55 or over who, with the agreement of the Council, reduce their working hours or grade and, if so, as part of the agreement:</p> <ul style="list-style-type: none"> <li>- whether, in addition to the benefits the member has accrued prior to 1 April 2009 (which the member must draw if flexible retirement is agreed), to permit the member to choose to draw <ul style="list-style-type: none"> <li>• all, part or none of the pension benefits they accrued after 31 March 2009 and before 1 April 2015, and / or</li> <li>• all, part or none of the pension benefits they accrued after 31 March 2015, and</li> </ul> </li> <li>- whether to waive, in whole or in part, any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age (NPA)</li> </ul>	<p>The Council will not agree to flexible retirement except in circumstances where the Council considers it is in its financial or operational interests to do so. Each case</p> <ul style="list-style-type: none"> <li>- will be considered on the merits of the financial and / or operational business case put forward,</li> <li>- 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 <ul style="list-style-type: none"> <li>a) all, some or none of their 1 April 2009 to 31 March 2015 benefits, and /or</li> <li>b) all, some or none of their post 31 March 2015 benefits, and</li> </ul> </li> <li>- will require the approval of <b>council</b></li> </ul> <p>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 two grades or a reduction at least 40 % of the contractual hours of work. 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 in hours or salary.</p> <p>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</p>

	the merits of the financial and / or operational business case put forward and will require the approval of the Council.
<p>4. <b>Discretion</b> – 85 year rule for members voluntarily drawing benefits (LGPS 2014 Transitional Regs, Schedule 3)</p> <p><b>Explanation.</b> Whether to switch the 85 year rule back on in full for active scheme 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.</p>	<p>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 60 except in circumstances where the Council considers it is in its financial or operational interests to do so. Each case</p> <ul style="list-style-type: none"> <li>- will be considered on the merits of the financial and / or operational business case put forward, and</li> <li>- will require the approval of Council</li> </ul>
<p>5. <b>Discretion</b> – Waiving reduction of benefits which a member voluntarily draws before Normal Pension Age (LGPS 2014, Regulation 31 and LGPS 2014 Transitional Regs, Schedule 3)</p> <p><b>Explanation.</b> For active members voluntarily retiring on or after age 55 and before Normal Pension Age who elect under regulation 31(5) of the LGPS Regulations (Northern Ireland) 2014 to immediately draw benefits, and for deferred members who elect under regulation 31(5) of the LGPS Regulations (Northern Ireland) 2014 to draw benefits (other than on ill health grounds) on or after age 55 and before Normal Pension Age, and who:</p> <ul style="list-style-type: none"> <li>- were <u>not</u> members of the LGPS before 1 October 2006 [Group 4 members], whether to: <ul style="list-style-type: none"> <li>o waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits, if any, accrued before 1 April <u>2015</u>, and / or</li> <li>o waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2015</u></li> </ul> </li> </ul>	<p>The Council will not agree</p> <ul style="list-style-type: none"> <li>- to waive on compassionate grounds any reduction on pre 1 April 2015 benefits for Group 3 or 4 members, on pre 1 April 2016 benefits for Group 1 members, or on pre 1 April 2020 benefits for Group 2 members, and / or</li> <li>- 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 on post 31 March 2020 benefits for Group 2 members</li> </ul> <p>where members choose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age except 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.</p> <p>Each case</p> <ul style="list-style-type: none"> <li>- will be considered on the merits of the financial and / or operational business case put forward, or</li> </ul>

<ul style="list-style-type: none"> <li>- <u>were</u> members of the LGPS before 1 October 2006 and <u>will</u> be 60 or more on 31 March 2016 [Group 1 members], whether to: <ul style="list-style-type: none"> <li>o waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April <u>2016</u>, and / or</li> <li>o waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2016</u></li> </ul> </li>   <li>- <u>were</u> members of the LGPS before 1 October 2006 and will <u>not</u> be 60 or more on 31 March 2016 and will <u>not</u> attain age 60 between 1 April 2016 and 31 March 2020 [Group 3 members], whether to: <ul style="list-style-type: none"> <li>o waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April <u>2015</u>, and / or</li> <li>o waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2015</u></li> </ul> </li>   <li>- <u>were</u> members of the LGPS before 1 October 2006 and will <u>not</u> be 60 or more on 31 March 2016 but <u>will</u> attain age 60 between 1 April 2016 and 31 March 2020 [Group 2 members], whether to: <ul style="list-style-type: none"> <li>o waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April <u>2020</u>, and / or</li> <li>o waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2020</u></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- will be considered on the merits of the compassionate case put forward, and</li> <li>- will require the approval of the Council including, where the reduction is only to be waived in part, approval for the amount of reduction to be waived</li> </ul>
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<p>6. <b>Discretion</b> – Shared Cost AVC (LGPS 2014, Reg 19)</p> <p><b>Explanation.</b> 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.</p>	<p>The Council will not enter into a shared cost AVC arrangement other than in exceptional circumstances in which case the decision to contribute, and the amount of the contribution, will be subject to the approval of the Council.</p>
<p>7. <b>Discretion</b> – Aggregating deferred benefits (LGPS 2014, Regulation 24)</p> <p><b>Explanation.</b> Whether to extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in Northern Ireland following the cessation of employment (or cessation of a concurrent employment) may elect not to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment) if the member has not made an election to retain separate benefits within 12 months of commencing membership of the LGPS in the new employment (or within 12 months of ceasing the concurrent membership).</p>	<p>The Council will only extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in Northern Ireland following the cessation of employment (or cessation of a concurrent employment) may elect not to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment):</p> <ul style="list-style-type: none"> <li>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;</li> <li>b) where the Council agrees that the available evidence indicates the member had made an election within 12 months of joining the LGPS 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</li> <li>c) where the member has pre 1 April 2015 membership and the Council agrees the available evidence indicates</li> </ul>

	<p>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 less than the whole-time equivalent pensionable pay upon which the deferred benefits were calculated).</p>
<p>8. <b>Discretion</b> – Determining contribution rates for employees (LGPS 2014, Regulation 11)</p> <p><b>Explanation.</b> How the pension contribution band/rate to which an employee is to be allocated on joining the Scheme, and at each subsequent April, will be determined and the circumstances in which, following a material change to the terms and conditions of a member's employment which affects the member's pensionable pay in the course of a Scheme year (1 April to 31 March), the pension contribution band/rate to which an employee has been allocated will be reviewed.</p>	<p>The Council will determine the contribution band applicable for employees in accordance with its Contribution Banding Policy – copy attached.</p>
<p>9. <b>Discretion</b> – Assumed Pensionable Pay and inclusion of regular lump sum payments (LGPS 2014, Regulation 23)</p> <p><b>Explanation.</b> Whether or not, when calculating assumed pensionable pay when a member is:</p> <ul style="list-style-type: none"> <li>- on reduced contractual pay or no pay on due to sickness or injury, or</li> <li>- absent during ordinary maternity, paternity or adoption leave or during paid additional maternity, paternity or adoption leave, or</li> <li>- absent on reserve forces service leave, or</li> </ul>	<p>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 the Council.</p>

<ul style="list-style-type: none"> <li>- retires with a Tier 1 or Tier 2 ill health pension, or</li> <li>- dies in service</li> </ul>	
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**13. Discretions to be exercised on and after 1 April 2015 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 April 2009 and 31 March 2015**

Discretion and Explanation	Fermanagh and Omagh District Council policy
<p>10. <b>Discretion</b> – Early payment of deferred pension (LGPS 2009, Regulation 30)</p> <p><b>Explanation.</b> Whether to grant applications for the early payment of deferred pension benefits on or after age 55 and before age 60 (on grounds other than ill health).</p>	<p>Where a former scheme member who left the scheme between 1 April 2009 and 31 March 2015 requests early release of deferred benefits on or after age 55 and before age 60 (on grounds other than ill health), approval will only be given on compassionate grounds. Each case will be considered on its merits and will be subject to the approval of the Council. Subject to 11 below, the benefits payable in such circumstances will be subject to any actuarial reduction applicable under the relevant LGPS Regulations.</p>
<p>11. <b>Discretion</b> – Waiving reduction to deferred benefits (LGPS 2009, Regulation 30)</p> <p><b>Explanation.</b> Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.</p>	<p>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.</p>
<p>12. <b>Discretion</b> – Awarding additional membership (LGPS 2009, Regulation 12)</p> <p><b>Explanation.</b> Whether, within 6 months of the date of termination, to grant up to a maximum of 10 years extra membership in the pension scheme to a scheme member whose employment was terminated before 1 April 2015 on the grounds of redundancy or business efficiency.</p>	<p>As the Council did not have any employees whose employment terminated before 1 April 2015 this discretion is not applicable.</p>

**14. Discretions to be exercised on and after 1 April 2015 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 February 2003 and 31 March 2009**

Discretion and Explanation	Fermanagh and Omagh District Council Policy
<p>13. <b>Discretion</b> - Early Payment of benefits for deferred members (LGPS Regs (NI) 2002, Reg 33)</p> <p><b>Explanation.</b> Whether to grant applications for the early payment of pension benefits on or after age 50 and before age 60 (on grounds other than ill health).</p>	<p>Where a former scheme member who left the scheme between 1 February 2003 and 31 March 2009 requests early release of deferred benefits on or after age 50 and before age 60 (on grounds other than ill health), approval will only be given on compassionate grounds. Each case will be considered on its merits and will be subject to the approval of the Council. Subject to 14 below, the benefits payable in such circumstances will be subject to any actuarial reduction applicable under the relevant LGPS Regulations.</p>
<p>14. <b>Discretion</b> – Waiving reduction to deferred benefits (LGPS Regs (NI) 2002, Reg 5)</p> <p><b>Explanation.</b> Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.</p>	<p>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.</p>

**15. Discretions to be exercised on and after 1 April 2015 under the LGPS Regulations in relation to scheme members who ceased active membership before 1 February 2003**

Discretion and Explanation	Fermanagh and Omagh District Council Policy
<p>15. <b>Discretion</b> – Early Payment of deferred benefits (LG (Superannuation) (Amendment) Regulations (NI) 1975, Reg 4)</p> <p><b>Explanation.</b> Whether, with the agreement of the Northern Ireland Local Government Officers' Superannuation Committee, to grant applications for the early payment of deferred pension</p>	<p>Where a former scheme member who left the scheme before 1 February 2003 requests early release of deferred benefits on or after age 50 and before age 65 on compassionate grounds, the case will be considered on its merits and will be subject to the approval of the Council.</p>

benefits on or after age 50 and before age 65 on compassionate grounds.	
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**16. Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2007**

<b>Discretion and Explanation</b>	<b>Fermanagh and Omagh District Council policy</b>
<p>16. <b>Discretion</b> – Redundancy Payment (LGPS 2007 Regulation 4)</p> <p><b>Explanation.</b> Whether to base a redundancy payment on an employee's actual weeks' pay where this exceeds the statutory week's pay limit of, currently, £490 per week (as at 6 April 2015).</p>	<p>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.</p>
<p>17. <b>Discretion</b> – Enhanced compensation (LGPS Regulation 5)</p> <p><b>Explanation.</b> Whether to 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 the service.</p>	<p>An employee whose employment is terminated early due to redundancy or business efficiency will receive a termination payment (inclusive of any redundancy pay) calculated using the statutory redundancy payment formula and actual week's pay, enhanced by a multiplier of 3.46</p>

**17. Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2003**

<b>Discretion and Explanation</b>	<b>Fermanagh and Omagh District Council policy</b>
<p>18. <b>Discretion</b> – Abatement of annual compensatory added years pension (LG (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2003, regulations 16 and 18)</p> <p><b>Explanation.</b> How a person's annual compensatory added years pension is</p>	<p>Fermanagh and Omagh District 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:</p> <ul style="list-style-type: none"> <li>- the annual compensation, and</li> </ul>

to be abated during, and following the cessation of, any period of re-employment by an employer who offers membership of the LGPS to its employees, regardless of whether or not the employee chooses to join the LGPS (except where the employer is an Admitted Body, in which case abatement only applies if the person is in, or eligible to be in, the LGPS in the new employment).

- the annual pension from the LGPS, 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). Index.

Where compensatory added years were awarded on or after 24 March 2003, Fermanagh and Omagh District 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 (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 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 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 pre 1 April 2009 1/80th pension and 3/80ths lump sum, plus the actual LGPS 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 pension and 3/80ths lump sum the member would have achieved in their first job to 31 March 2009, plus the 1/60th LGPS 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.

	<p>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.</p> <p>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.</p> <p>Where compensatory added years were awarded before 24 March 2003, Fermanagh and Omagh District 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.</p>
<p>19. <b>Discretion</b> – Survivor compensatory added years apportionment (LG (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2003, Regulation 20(4))</p>	<p>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 cases).</p>

<p>20. <b>Discretion</b> – Annual compensation suspension rules (LG (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2003, Regulation 20(5))</p> <p><b>Explanation.</b> Whether, if the spouse or civil partner of a person who ceased employment before 1 February 2003 remarries, enters into a civil partnership or cohabits after 1 February 2003, the normal annual compensation suspension rules will be disapplied i.e. the spouse’s or civil partner’s annual compensatory added years pension will continue to be paid.</p>	<p>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 normal annual compensation suspension rules will be disapplied i.e. the spouse’s or civil partner’s annual compensatory added years pension will continue to be paid.</p>
<p>21. <b>Discretion</b> – Annual compensation suspension rules (reinstatement) (LG (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2003, Regulation 20(7))</p> <p><b>Explanation.</b> Whether, 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 should be reinstated after the end of the period of remarriage, new civil partnership or cohabitation.</p>	<p>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 be reinstated after the end of the period of remarriage, new civil partnership or cohabitation.</p>

## **18. Consideration of requests on compassionate grounds**

In exceptional circumstances the Council will consider requests to exercise discretion(s) on compassionate grounds. Such requests will normally only be considered where a member has had to leave or intends to leave paid employment in order to care for a dependant.

Before considering the exercise of discretion on compassionate grounds the Council will require:-

- a) Full details of the exceptional circumstances and any supporting evidence
- b) If applicable, details of any employment held since leaving the Council's employment along with details of pension deferred, in payment and any other income or benefit received
- c) Medical reports, if appropriate, to support a case of retirement to look after a dependant
- d) Evidence in severe financial hardship, that the hardship would not be better assisted by social security services
- e) Evidence of caring responsibility

## **19. Policy Implementation and Review**

This policy statement was approved by Fermanagh and Omagh District Council on 30 July 2015 and forwarded to NILGSOC and published thereafter.

The policy will be subject to review in three year's time or earlier if required.

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**Date:** 30 July 2015