

# Employee Pensions Lifecycle Policy

Section	Contents	Page
1.0	Introduction	2
2.0	Scope	2
3.0	Roles and responsibilities	2
4.0	An introduction to the Local Government Pension Scheme	3
5.0	Pensions Discretions	4
6.0	Pensions Appeals	6
7.0	Equality statement	7
8.0	Data Protection	7
9.0	Key legislation	7
10.0	Monitoring and Review	7
11.0	Further advice on Pensions	7
12.0	Links to other policies	8
Appendix A	Pension Discretions 1 April 2014 LGPS CARE Policy Statement	
Appendix B	Pension Discretions Pre-1 April 2014 LGPS Policy Statement	
Appendix C	How to Guide 1: Joining the Local Government Pension Scheme	
Appendix D	How to Guide 2: LGPS during employment	
Appendix E	How to Guide 3: Ways to enhance or reduce LGPS pension benefits	
Appendix F	How to Guide 4: LGPS Leaving the Council	
Appendix G	How to Guide 5: LGPS Redundancy	

This policy has been agreed by:	Approval Date:
Policy Forum	14 March 2024
EJCC	11 April 2024
Copy to Pensions Team	22 April 2024

## **1.0 Introduction**

- 1.1 The Pensions Lifecycle Policy is the starting point for information relating to pensions for employees and their line managers. The overarching Pensions Lifecycle Policy is complimented by How to Guides which relate to different stages of the employment life cycle. The How to Guides are as follows:
- How to Guide 1: Joining the Local Government Pension Scheme
  - How to Guide 2: LGPS during employment
  - How to Guide 3: Ways to enhance or reduce LGPS pension benefits
  - How to Guide 4: LGPS Leaving the Council
  - How to Guide 5: LGPS Redundancy
- 1.2 This policy refers to the Local Government Pension Scheme, known as the (LGPS). The LGPS is a defined benefit occupational pension scheme and is offered to all eligible employees. The scheme is administered on the council's behalf by the Shropshire County Pension Fund, referred to as the Pensions Team.
- 1.3 This policy is meant to be a guide and specific individual circumstances should be discussed with the Pensions Team. The appropriate legislation will prevail in all instances.

## **2.0 Scope**

- 2.1 The Council offers an occupational pension scheme to all eligible Shropshire Council employees. Please refer to Appendix C, Guide 1 for further information.
- 2.2 If a person is eligible for membership of the LGPS, they will be contractually enrolled into the LGPS from the first day of employment or the first date they become eligible, if later, providing they have a contract of employment for at least three months.
- 2.3 Eligible school support staff have access to the LGPS. Support staff whose terms and conditions of employment are set by school governing bodies, should also refer to this policy as there is not a separate policy.

## **3.0 Roles and Responsibilities**

### **3.1 Employee Responsibilities**

- 3.1.1 All eligible employees are contractually or automatically enrolled into the LGPS; however, individuals are responsible for deciding whether they wish to remain a member of the LGPS or not.
- 3.1.2 Employees who want to request to transfer any other pension scheme membership into the LGPS, must take the necessary actions within stated timescales, please refer to Appendix C, Guide 1.

- 3.1.3 Employees are responsible for checking their pay slip each month to ensure that pension contributions are being taken. If it subsequently comes to light that contributions have not been taken and the employee hasn't opted out, the Council will not be liable to pay the backdated contributions.

Therefore, employees should check their payslip monthly and notify payroll.notifications@shropshire.gov.uk of any pension discrepancies.

- 3.1.4 Employees should also create and log into their '[My Pension Online](#)' to view their pension Statement.

- 3.1.5 Employees should check their personal details on 'My Pension Online'. If the address is incorrect, this can be updated in My Pension Online, please also update the ERP. Name changes must be made via [payroll.notifications@shropshire.gov.uk](mailto:payroll.notifications@shropshire.gov.uk) Contact payroll notifications if you change your name by getting married, divorced or by deed poll. Payroll will request evidence and update the ERP and IConnect which notifies the Pensions Team.

- 3.1.6 Please ensure you complete an Expression of Wish form and update this if your circumstances and preferences change. Please refer to the forms and guides section of the [Shropshire Pensions website](#)

- 3.1.7 Employees are also responsible for following the relevant processes outlined within this policy and those listed on the Shropshire County Pension Fund website.

## **3.2 Manager Responsibilities**

- 3.2.1 To ensure that employees are aware of this policy, the Appendices, and the How to Guides.

## **4.0 An introduction to the Local Government Pension Scheme**

Employees who are in the LGPS are referred to as members.

- 4.1 The LGPS is a defined benefit occupational pension scheme, which means the pension benefits received at retirement are guaranteed and are not linked to the state of the financial markets at retirement.

Pension benefits are calculated using the scheme rules, based on members pay, the accrual rate, and length of service in the pension scheme.

- 4.2.1 **The defined benefit final salary scheme (for membership pre-1 April 2014).**

Until 31 March 2014 the LGPS was a defined benefit final salary scheme.

- The accrual rate for service prior to 1 April 2008 was 1/80<sup>th</sup> and a retirement grant accrual of 3/80ths.

- The accrual rate for service between 1 April 2008 to 31 March 2014 was 1/60<sup>th</sup>.

4.2.2 Protection is still in place for members with final salary benefits built up in the final salary scheme. This means that pension built up in the LGPS to 31 March 2014 will continue to be based on the member's final pay when they leave employment in the future.

**4.2.3 The Care Scheme (also referred to as the 2014 scheme).**

On 1 April 2014 the LGPS was reformed to a defined benefit career average revalued earnings (CARE) scheme. This means that pension earned each year is based on the actual pensionable pay the member receives in the scheme year (1 April – 31 March).

- The accrual rate became 1/49<sup>th</sup>.
- The Normal Pension Age (NPA) was changed from 65 to State Pension Age (whichever is later). NPA is the age at which a member can take their pension benefits without a reduction for early payment.

4.3 Each member of the pension scheme holds a pension account which is added to on 31 March each year by using the pay that was earned during the year and multiplying it by the accrual rate. On 1 April each year the total accrued pension is revalued in line with the change in inflation as measured by the Consumer Price Index (as of the previous September).

4.4 LGPS a contributory pension scheme which means the employee contributes some of their monthly salary towards their pension pot and the Council as the employer also contributes at a higher rate than that paid by the employee. The combined contributions make this a generous scheme and an important benefit for employees.

4.5 Membership of the LGPS is an important step for employees to take to help with planning for their future and saving for retirement. There are numerous benefits of being in the scheme, full details of the LGPS and information guides can be found on the Shropshire County Pension Fund website <https://shropshirecountypensionfund.co.uk/>

**5.0 Pension Discretions Policy**

5.1 The Council is required to prepare and publish a Discretions Policy and keep it under review. Discretions are powers that enable employers to choose how to apply the scheme rules in respect of certain provisions. Discretions only apply at the time of application and are subject to change.

5.2 The Council has limited resources and needs to maintain a balanced budget. When exercising a discretion, the cost must be contained within existing service budgets and are only exercised in exceptional circumstances.

5.3 The Council has two Pension Discretion Policy Statements.

- 5.4 The Pension Discretions 1 April 2014 LGPS CARE Policy Statement, Appendix A. Refer to this policy if you are an active member of the LGPS or ceased being a member after 1 April 2014. The following are Statutory and recommended discretions and are explained in the Policy Statement:
1. Granting extra annual pension
  2. Shared Cost Additional Pension Contribution (SCAPC)
  3. Flexible retirement
  4. The 85 Year rule
  5. Early Retirement and Actuarial reduction
  6. Shared Cost Additional Voluntary Contribution (SCAVC)
  7. Transferring in deferred LGPS pension rights
  8. Transferring in other pension rights
  9. Employee contribution rates
  10. Calculating assumed pensionable pay (including regular lump sums).
  11. Calculating Assumed pensionable pay (substituting higher pay).
- 5.5 The Pension Discretions Pre-1 April 2014 LGPS Policy Statement Appendix B includes the following tables.
- Please refer to Table A for scheme members who ceased active membership between 01.04.2008 and 31.03.2014.
  - Please refer to Table B for scheme members who ceased active membership between 01.04.1998 and 31.03.2008.
  - Please refer to Table C for scheme members who ceased active membership before 01.04.1998.
  - Table D and E for early termination of employment since 2000.
  - Table F Injury allowance since 2011.
- 5.6 Employees who request the Council to apply any of the statutory and recommended pension discretions will be considered only in exceptional circumstances and will not be an automatic entitlement. An employee who wishes to request a statutory or recommended pension discretion must complete a Pension Discretions Employee Request Form and provide a copy to their line manager. The form is within the appropriate Discretion Policy Statement.

The line manager will arrange a meeting with the employee to discuss the request, they must contact their Strategic HR Business Partner for guidance and consider any pension strain costs for the service. If the line manager approves, they will provide a Manager Report to their manager detailing their approval, potential effective date, and the implications operationally and financially upon the business. The approvals process is detailed in the report template which is within the appropriate Discretion Policy Statement.

The report also requires the approval of the Assistant Director of Workforce and Improvement, in consultation with the Executive Director of Resources (Section 151 Officer).

Each case will be considered on the

- merits of the financial and / or operational business case, or
- merits of the compassionate case put forward.

## **6.0 Pensions Appeals**

6.1 In accordance with Regulation 73 of the Local Government Pension Scheme (Administration) Regulations 2013, the Council is required to draw all employees' attention to the fact that, if they are dissatisfied with any decision in relation to their rights or liabilities under the Scheme (the implementation of this Policy or the Discretions Policy Statements) they have the right to ask for that decision to be looked at again under a formal complaint procedure, which is called the "internal dispute resolution procedure".

6.2 The process has two stages.

6.2.1 First stage. A formal complaint (an appeal) must be made within six months of the event or decision that the employee wants to complain about. The [Standard guidance and Appeals form](#) is available from the Pension Team for this purpose. The Pension Team will also be available to advise employees of their rights under the Scheme. To make an appeal the employee or someone on their behalf should write to the Head of Pensions – LGPS Senior Officer (the nominated person), Shropshire Council, Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND. The complaint will be considered carefully, and a decision will be made in writing.

6.2.2 Second stage. If,

- the employee remains dissatisfied with the nominated persons decision, or
- they have not received a decision or interim letter from the nominated person within three months of lodging the appeal, or
- it is one month after the date stated in the interim letter that they would receive a decision, and they have not yet received a decision.

The employee or someone on their behalf may apply for a reconsideration of the decision to the Assistant Director Legal and Governance. The complaint must,

- be made within six months of the nominated persons decision, or
- be within 9 months from the date the complaint was originally submitted if the nominated person has not given a decision within 3 months of that date, or
- if the nominated person provides an interim decision but not a final decision, within 7 months of the date the nominated person had promised to give a final decision.

The complaint will be considered carefully, and a decision will be made in writing.

- 6.3 If the employee remains dissatisfied, they can take their case to the Pensions Ombudsman. This must be within 3 years from the date of the original decision (or lack of decision) about which they complained. This is the final level of appeal.

## **7.0 Equality Statement**

- 7.1 To ensure that Shropshire Council's Pensions policy meets the requirements of the Equalities Act 2010, the policy must be applied in a fair and consistent manner in line with Shropshire Councils priorities. No employee should be discriminated against on the grounds of one or more protected characteristic (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation).

## **8.0 Data Protection**

- 7.1 Data is shared with the Pensions Team for the purposes of administering the pension scheme. Information on the Pensions Team [data protection](#) procedures can be found on their website.

## **9.0 Key Legislation**

- 9.1 The current regulations are The Local Government Pension Scheme Regulations 2013. There are previous regulations which may apply depending on the dates of your membership in the scheme, for guidance please contact the Pensions Team.

## **10.0 Monitoring and Review**

- 10.1 Human Resources will work with line managers to monitor the application of this policy. The Council may review any aspect of the policy in the light of changing circumstances at any time, in consultation with the trade unions.
- 10.2 The policy will be reviewed at regular intervals, in conjunction with changes to legislation that may impact upon it.

## **11.0 Pensions information**

- 11.1 Information on the LGPS is available in the first instance from the Pensions Team who can be contacted on 01743 252130 or at [pensions@shropshire.gov.uk](mailto:pensions@shropshire.gov.uk).

Further useful information and guides can also be found at:  
<http://shropshirecountypensionfund.co.uk/>

The LGPS also has a national website: <https://www.lgpsmember.org/> which contains guides and videos.

[Pension Wise](#), is a service from MoneyHelper which is a free and impartial service offered by the Government to help people understand their pension options.

To find out more about My Money Matters (formally AVC Wise) go to <https://shropshire.vivup.co.uk>

## 12.0 Links to Other Policies

<b>TUPE Policy</b>	<b>Redundancy Policy</b>
<b>Family Leave Policy</b>	<b>Death in Service Process</b>
<b>Flexible Working Policy</b>	<b>Sickness Absence Management Policy</b>
<b>Annual Leave Policy</b>	