



STAINLAND & DISTRICT PARISH COUNCIL

WEST YORKSHIRE PENSION FUND – DISCRETIONS POLICY

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Stainland & District Parish Council

Local Government Pension Scheme (LGPS) Employer Discretions Policy

1. Introduction

Stainland & District Parish Council (“the Council”) is a Scheme Employer within the Local Government Pension Scheme (LGPS).

Under **Regulation 60 of the Local Government Pension Scheme Regulations 2013** and **Schedule 2 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014**, Scheme Employers are required to **formulate, approve, publish and keep under review a written policy** on how certain discretionary powers (“employer discretions”) will be exercised.

Although commonly referred to as a “discretions policy”, having such a policy is **mandatory**.

This document sets out how the Council will exercise those discretions for which a written policy is required, together with certain recommended (non-mandatory) discretions.

2. What are employer discretions?

Employer discretions arise where LGPS regulations give an employer a **choice** about how to apply specific provisions of the Scheme.

There are over 100 discretions within the LGPS. Some require a **published policy**, while others may be exercised without one.

This policy covers:

- **All mandatory discretions** requiring a published policy
- **Relevant transitional discretions** for members who left before 1 April 2014
- **Selected recommended (non-mandatory) discretions**, where clarity is helpful

3. Legislative framework

This policy relates to discretions exercised under:

- The **LGPS Regulations 2013**
- The **LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014**



- The **LGPS Regulations 1997** and the **LGPS (Benefits, Membership and Contributions) Regulations 2007**, where still applicable to pre-1 April 2014 membership

4. Principles governing the exercise of discretions

When formulating and applying this policy, the Council will ensure that:

- Decisions are **reasonable, affordable and consistent**
- Decisions are **non-discriminatory** and compliant with equalities legislation
- Policies do not give rise to a **serious loss of confidence in the public service**
- Discretions are **not applied as blanket or fettered decisions**
- Each case is considered **on its individual merits**
- Full regard is given to the **financial impact on the Council**

The exercise of a discretion may result in **immediate and ongoing pension strain costs** payable by the Council to West Yorkshire Pension Fund (WYPF).

5. Publication and review

- This policy will be **published** and made accessible to current and former employees who are members of the LGPS
- A copy will be provided to **West Yorkshire Pension Fund**, the administering authority
- The policy will be **reviewed regularly**, and at least following any material change in legislation or Council policy
- Any revised policy will be published and notified to WYPF **within one month** of approval

The Council acknowledges that a discretion **cannot be exercised unless the relevant policy has been published for at least one month.**

6. Mandatory discretions – LGPS Regulations 2013

6.1 Shared Cost Additional Pension Contributions (SCAPCs)

Regulations 16(2)(e) and 16(4)(d)



The Council does not regard contributions towards SCAPCs as part of its normal employment strategy.

However, the Council **may consider applications on a case-by-case basis**, taking account of:

- The Council's ability to meet the cost
- The member's personal circumstances
- The Council's current pay and budgetary strategy

6.2 Award of Additional Pension

Regulation 31

The Council may consider awarding additional pension within scheme limits to:

- Active members, or
- Members leaving due to redundancy or business efficiency (including mutual consent)

Each case will be considered individually, having regard to:

- The member's personal circumstances
- The interests of the Council
- The cost to the Council and resulting strain on the Fund
- Any potential organisational benefit or saving
- The Council's financial position within the Fund

6.3 Flexible retirement

Regulation 30(6)

The Council may permit flexible retirement for members aged 55 or over where there is:

- A genuine reduction in hours; or
- A genuine reduction in grade

Applications will be considered on a case-by-case basis with regard to:

- Operational requirements



- Cost and affordability
- Any demonstrable savings
- The member's circumstances

Where flexible retirement is approved, the Council **will normally permit the member to draw all accrued LGPS benefits**, unless exceptional circumstances apply.

6.4 Waiving actuarial reductions

Regulation 30(8)

The Council may waive actuarial reductions:

- **Pre-1 April 2014 service** – only on compassionate grounds
- **Post-1 April 2014 service** – on any grounds

Each case will be considered individually, taking account of:

- The Council's ability to meet the cost
- The member's circumstances
- Whether alternative cost-effective options exist

Applications based on compassion will be approved only where, in the Council's sole opinion:

- There are exceptional and evidenced circumstances; and
- The cost is affordable

6.5 Switching on the 85-Year Rule

Schedule 2, Regulation 1(1)(c) – Transitional Regulations 2014

The Council may decide whether to "switch on" the 85-year rule for protected members taking voluntary early retirement between age 55 and 60.

Each case will be considered individually with regard to:

- Cost to the Council
- Any demonstrable savings



- The member's circumstances

7. Mandatory discretions – pre-1 April 2014 leavers

7.1 Early payment of deferred pensions on compassionate grounds

The Council will consider applications for unreduced early payment of deferred benefits on compassionate grounds for members who left before 1 April 2014, subject to:

- Evidence of exceptional circumstances
- Affordability

7.2 Former tier 3 ill-health pensioners

The Council will consider applications from former tier 3 ill-health members aged 55 or over, including whether to waive reductions or switch on the 85-year rule, subject to:

- Individual circumstances
- Cost to the Council

8. Recommended (non-mandatory) discretions

8.1 Extending transfer-in time limits

Regulation 100(6)

The Council will only extend the 12-month transfer-in deadline in exceptional circumstances, where clear evidence demonstrates failure of process outside the member's control.

8.2 Late election for SCAPCs after unpaid absence

Regulation 16(16)

The Council may allow late elections on a case-by-case basis.

8.3 Determining contribution bands

Regulations 9 and 10

The Council will determine and review contribution bands in accordance with LGPS regulations annually.

8.4 Assumed Pensionable Pay – regular lump sums



The Council **will not include** regular lump sum payments when calculating Assumed Pensionable Pay unless required by regulation or exceptional circumstances apply.

8.5 Shared Cost AVCs (SCAVCs)

The Council **will not contribute** towards Shared Cost AVC arrangements.