

# Policy on the Award of purchase of Additional Pension

## Aim

This policy is intended to provide managers with a framework for awarding additional pension. It is intended that the policy would be used in exceptional circumstances only where there are significant benefits to the Authority such as:

- Negotiating early termination of employment where service efficiencies can best be achieved by agreeing terms which include additional pension;
- Supporting the recruitment and retention of key staff.

The discretion to provide additional pension is contained in Regulation 31 of the Local Government Pension Scheme Regulations 2013.

## Scope

This policy applies to employees who are members of the Local Government Pension Scheme (LGPS) and who are employed by West Sussex County Council.

It does not include:

- Support Staff employed in schools;
- Teachers who are members of the Teachers' Pension Scheme;
- Firefighters who are member of the Firefighters' Pension Scheme, New Firefighters' Pension Scheme or Firefighters' Pension Scheme 2015 and,
- Employees who are members of the NHS Pension Scheme.

This policy is not to be used in redundancy situations. Termination of employment due to redundancy must be handled in accordance with the Redundancy Policy.

The discretions provided for in this policy may be exercised regardless of the age of the employee at the date of the retirement (save for meeting the age criteria provided for in the Regulations for Flexible Retirement) but, if connected with the early termination of employment, shall be agreed with the employee prior to the termination taking effect, subject to any detailed calculation of benefit to be awarded.

## Who can help?

The Pensions team can be contacted on 01243 642 148 or [pensions@westsussex.gov.uk](mailto:pensions@westsussex.gov.uk)

You can also access further information about the LGPS at;

<https://www.westsussex.gov.uk/about-the-council/pensions/local-government-pension-scheme-lgps/>

### Policy Provisions

An employee's pension may be enhanced by the purchase of Additional Pension.

The authority can choose to purchase on behalf of the employee additional pension up to the value of £6,741.75.

The following factors shall be taken into account in assessing the application of purchase of additional pension.

The likely and foreseeable financial loss to the employee in the case of immediate loss of employment, taking into account all of the circumstances including any other compensation and benefits being received.

The scale of the benefits to the Authority in achieving the appointment, retention or termination of employment of the employee.

Whether there are exceptional grounds for rewarding experience or loyalty of the employee concerned.

Whether there are exceptional compassionate grounds connected with the need to agree the termination of the employment.

The costs incurred by granting these benefits shall be borne by the relevant Directorate unless there are exceptional grounds for obtaining funds from central reserves.

### Authorisation of cases

A written business case is required setting out the justification for the application of the relevant discretion. The decision to award purchase of additional pension is made by the relevant Executive Director with the agreement of the Officer with s.151 responsibilities, following consultation with the Cabinet Member for Finance. Each case should be determined on its particular facts, led by the calculation of the loss to the employee in cases where early termination of employment applies.

This policy is based on the Pensions Discretions policy approved by Governance Committee on 30<sup>th</sup> June 2014.

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