

WEST SUSSEX PENSION FUND

Policy for Abatement of Retirement Pension Statement of policy

This provides that, where you are in receipt of a pension in respect of your previous membership of the Local Government Pension Scheme, that your pension may be subject to reduction, or suspension, if you enter into a new employment with any scheme employer where you are eligible to join the Local Government Pension Scheme in that employment. A summary of employments which could affect your entitlement to your Fund pension is included with this policy. A full definition of affected employments is described in Schedule 2 of The Local Government Pension Scheme Regulations 2013.

There are no abatement provisions in the 2013 Regulations; therefore if you leave on or after 1st April 2014, draw your benefits and are subsequently re-employed you will not suffer abatement in relation to your post 1st April 2014 pension.

(This is because Regulations 70 and 71 of the Administration Regulations (abatement) continue to have effect in relation to pensions in payment deriving from the Earlier Schemes regardless of when payment of those pensions commenced).

You will however suffer an abatement on a £ for £ basis on any pre 1st April 2014 pension.

(This is Regulation 3(13) of the 2014 Transitional Regulations means that your pre 1st April 2014 pension rights are still subject to the abatement provisions going forward.)

The County Council has decided that your pre-1st April 2014 Local Government Pension will be subject to reduction, or suspension if appropriate, where your annual rate of pay in your new employment when added to the current value of your original retirement benefit exceeds the actual rate of pay (at its present day value) in your original employment. The policy applies irrespective of whether you join, or do not join, the Local Government Pension Scheme in your new employment.

If your pension has not been reduced, or suspended, during your re-employment you will be required to repay any overpaid pension to the Fund over the same time period as the overpayment built up. The Pensions Administration Authority may considering providing you with a longer period to make payment if you provide sufficient information to demonstrate to the Administering Authority that the standard recovery plan would cause you significant financial difficulties. Any decision regarding the suitability of an alternative recovery plan is at the sole discretion of the Administering Authority.

Responsibility of a Scheme Member in receipt of a pension from the fund

- You **MUST** notify the Administering Authority **immediately** of:

- ANY re-employment with an Organisation which is, or is able to be a Scheduled or Admitted Body within ANY Local Authority Pension Fund;
- Any promotion within that employment;
- Any regarding to your job;
- Any change in your hours of employment, or a change in the whole-time hours for the employment where your employment is part time;
- Any material change in your contract of employment;
- The ending of your re-employment.

If you are in doubt you should contact the Administering Authority providing full details.

- A member will repay any overpaid pension to the fund over the same time period as the overpayment built up.
- If, for whatever reason, the annual projected earnings are not easily or readily ascertainable, the reduction/suspension of pension will be postponed (the rules in principle, however, will apply equally to this category) until such time as they can be calculated. In the interim period, you will be alerted to the abatement policy/rules and their implications in terms of possible reductions to your pension in the future. You will be given the opportunity to have your pension suspended immediately or to postpone any action and, if appropriate, reimburse the Pension Fund when a final assessment is made of your re-employment earnings and their effect.

Information to be provided by a Scheme Member in respect of a re-employment

You should provide the following information in respect of their re-employment:

- Name & Address of the employer you are re-employed with;
- Job Title;
- Salary, both actual pay received and the whole-time equivalent salary;
- Grade;
- Hours worked, and where part-time, the whole-time hours for the job;
- Date started;
- Where known, the date the re-employment is planned to cease;
- Your written authority for the Fund to verify the details with the re-employment employer.

What is a Scheme Employer?

A "Scheme Employer" includes, but is not limited to:

- Any local authority in England and Wales;
- Any police or fire and rescue authority (*excluding employees eligible to join the Police or Fire Pension Schemes);

- Any Academy (*excluding employees eligible to join the Teachers Pension Scheme);
- A National Park Authority;
- The Environment Agency;
- A housing association;
- The Valuation Tribunal Service;
- A probation trust;
- A higher education corporation (*excluding employees eligible to join the Teachers Pension Scheme);
- A passenger transport authority;
- An Admitted Body

A full list of Scheme Employers is detailed in Schedule 2 of The Local Government Pension Scheme Regulations 2013.

Written by: HR Unit (TA) May 2014