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London Pensions Fund Authority **Administering Authority Discretions Policy**

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London Pensions Fund Authority

Administering Authority Discretions Policy

Under the LGPS Regulations, LPFA as the Administering Authority has a number of discretions it can apply. Whilst the LPFA Constitution sets out the responsibility for functions, this Statement sets out the practice and policy regarding key discretions that fall to LPFA as an Administering Authority or where an employer has become defunct.

The description of discretions has been set out in the tables below with references to supporting regulation documents.

All pension discretions will be reviewed at least on a biennial basis, or as and when significant circumstances change. This Statement will be reviewed on a biennial basis and will be updated to reflect any substantive changes in the interim.

Discretions – Section 1 Mandatory discretions from 1 April 2014 active members (excluding Councillors)

List of discretionary policies applicable from 1 April 2014 in relation to post 31 March 2014 active members (excluding councillor members) and post 31 March 2014 leavers (excluding councillor members), being discretions under:

- The Local Government Pension Scheme Regulations 2013 [SI2013/2356] [**prefix R**]
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] [**prefix TP**]
- The Local Government Pension Scheme (Administration) Regulations 2008 [SI 2008/239] [**prefix A**]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [SI 2007/1166] [**prefix B**]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [SI 2008/238] [**prefix T**]
- The Local Government Pension Scheme Regulations 1997 (as amended) [SI 1997/1612] [**prefix L**]

Section 1 – Discretion	Discretion Type	LPFA position / comments
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement. R30(8)	Administering Authority where Employer is defunct	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications. The cost of this would fall on the employer which will need to be taken into consideration.
Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member only has post 31 March 2014 membership). R30(8)	Administering Authority where Employer is defunct	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications. The cost of this would fall on the employer which will need to be taken into consideration.
Whether to “switch on” the 85-year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (other than on the grounds of flexible retirement). TPSch 2, para 1(2) & 1(1)(c)	Administering Authority where Employer is defunct	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications. The cost of this would fall on the employer which will need to be taken into consideration.
Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre-1 April 2014 and post 31 March 2014 membership): a) on compassionate grounds (pre-1 April 2014 membership) and / or, in whole or in part on any grounds (post 31 March 2014 membership) if the member was not in the Scheme before 1 October 2006, b) on compassionate grounds (pre-1 April 2014 membership) and / or, in whole or in part on any grounds (post 31 March 2014 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will not attain 60 between 1 April 2016 and 31 March 2020 inclusive, c) on compassionate grounds (pre-1 April 2016 membership) and / or, in whole or in part on any grounds (post 31 March 2016 membership) if the member was in the Scheme before 1 October 2006 and will be 60 by 31 March 2016, d) on compassionate grounds (pre-1 April 2020 membership) and / or, in whole or in part on any grounds (post 31 March 2020 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will attain 60 between 1 April 2016 and 31 March 2020 inclusive. TP3(1), TPsch 2, para 2(1), B30(5) & B30A(5)	Administering Authority where Employer is defunct	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications. The cost of this would fall on the employer which will need to be taken into consideration.

Discretions – Section 1 Mandatory discretions continued

Section 1 – Discretion	Discretion Type	LPFA position / comments
<p>Governance Compliance Statement must state whether the admin authority delegates their function or part of their function in relation to maintaining a pension fund to a committee, a sub-committee or an officer of the admin authority and, if they do so delegate, state:</p> <ul style="list-style-type: none"> – the frequency of any committee or sub-committee meetings, – the terms, structure and operational procedures appertaining to the delegation, and – whether representatives of employing authorities or members are included and, if so, whether they have voting rights. <p>The policy must also state:</p> <ul style="list-style-type: none"> – the extent to which a delegation, or the absence of a delegation, complies with Sec of State guidance and, to the extent it does not so comply, state the reasons for not complying, and – the terms, structure and operational procedures appertaining to the local Pensions Board. <p>R55</p>	<p>Administering Authority</p>	<p>This can be found on our website under “Our Policies and Procedures”</p> <p>Our policies and procedures (lpfa.org.uk)</p>
<p>Decide on Funding Strategy for inclusion in funding strategy statement.</p> <p>R58</p>	<p>Administering Authority</p>	<p>This can be found on our website under “Our Objectives”</p> <p>Our objectives (lpfa.org.uk)</p>
<p>Communication policy must set out the policy on provision of information and publicity to, and communicating with, members, representatives of members, prospective members and Scheme employers; the format, frequency and method of communications; and the promotion of the Scheme to prospective members and their employers.</p> <p>R61</p>	<p>Administering Authority</p>	<p>This can be found on our website under “Our Policies and Procedures”</p> <p>Our policies and procedures (lpfa.org.uk)</p>
<p>Decide policy on abatement of pre-1 April 2014 element of pensions in payment following re-employment.</p> <p>TP3(13) & A70(1) & A71(4)(c)</p>	<p>Administering Authority</p>	<p>LPFA will not use abatement on any service accrued prior to 1 April 2014.</p>

Discretions – Section 1 Recommended discretions from 1 April 14 active members (excluding Councillors)

- The Local Government Pension Scheme Regulations 2013 [SI2013/2356] [**prefix R**]
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] [**prefix TP**]
- The Local Government Pension Scheme (Administration) Regulations 2008 [SI 2008/239] [**prefix A**]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [SI 2007/1166] [**prefix B**]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [SI 2008/238] [**prefix T**]
- The Local Government Pension Scheme Regulations 1997 (as amended) [SI 1997/1612] [**prefix L**]

Section 1 – Discretion, recommended	Discretion Type	LPFA position / comments
Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS. R100(6)	Employer and Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications. The cost of this would fall on the employer which will need to be taken into consideration.
Where there are multiple ongoing employments, in the absence of an election from the member within 12 months of ceasing a concurrent employment, decide to which record the benefits from the ceased concurrent employment should be aggregated. TP10(9)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications. The cost of this would fall on the employer which will need to be taken into consideration.
Where there are multiple ongoing employments, in the absence of an election from the member within 12 months of ceasing a concurrent employment, decide to which record the benefits from the ceased concurrent employment should be aggregated. R68(2)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications. The cost of this would fall on the employer which will need to be taken into consideration.
Whether to require any strain on Fund costs to be paid “up front” by employing authority if the employing authority “switches on” the 85-year rule for a member voluntarily retiring (other than flexible retirement) prior to age 60, or waives an actuarial reduction on compassionate grounds under TPSch2, para 2(1). TPSch 2, para 2(3)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Whether to extend the time limits within which a member must give notice of the wish to draw benefits before normal pension age or upon flexible retirement. R32(7)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications. The cost of this would fall on the employer which will need to be taken into consideration.
Decide whether to trivially commute a member’s pension under section 166 of the Finance Act 2004 (includes pension credit members where the effective date of the Pension Sharing Order is after 31 March 2014 and the debited member had some post 31 March 2014 membership of the 2014 Scheme). R34(1)(a)	Administering Authority	LPFA permits trivial commutation in the context of this discretion.
Decide whether to trivially commute a lump sum death benefit under section 168 of the Finance Act 2004. R34(1)(b)	Administering Authority	LPFA permits trivial commutation in the context of this discretion.
Decide whether to pay a commutation payment under regulations 6 (payment after relevant accretion), 11 (<i>de minimis</i> rule for pension schemes) or 12 (payments by larger pension schemes) of the Registered Pension Schemes (Authorised Payments) Regulations 2009 (excludes survivor pensions and includes pension credit members where the effective date of the Pension Sharing Order is after 31 March 2014 and the debited member had some post 31 March 2014 membership of the 2014 Scheme). R34(1)(c)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Approve medical advisors used by employers (for ill health benefits). R36(3)	Administering Authority	LPFA will reserve the right to exercise this discretion.

Discretions Section 1 Recommended discretions continued

Section 1 – Discretion, recommended	Discretion Type	LPFA position / comments
Whether to use a certificate produced by an IRMP under the 2008 Scheme for the purposes of making an ill health determination under the 2014 Scheme. TP12(6)	Employer and Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide whether deferred beneficiary meets criteria of being permanently incapable of former job because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years, whichever is the sooner. R38(3)	Employer and Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide whether a suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health. R38(6)	Employer and Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide to whom death grant is paid. TP17(5) to (8), R40(2), R43(2) & R46(2)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more regulations in respect of the same period of Scheme membership. R49(1)(c)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Whether to set up a separate admission agreement fund. R54(1)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Whether to have a written pensions administration strategy and, if so, the matters it should include. R59(1) & (2)	Administering Authority	LPFA has a pensions administration strategy.
Whether to extend the period beyond 3 months from the date an Employer ceases to be a Scheme Employer, by which to pay an exit credit. R64(2ZA)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Whether to suspend (by way of issuing a suspension notice), for up to 3 years, an employer's obligation to pay an exit payment where the employer is again likely to have active members within the specified period of suspension. R64(2A)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Whether to obtain revision of employer's contribution rate if there are circumstances which make it likely a Scheme employer will become an exiting employer. R64(4)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Decide frequency of payments to be made over to Fund by employers and whether to make an admin charge. R69(1)	Administering Authority	LPFA decides the contribution schedules and any relevant administration charges to be made by employers. The approach is documented in the Pension Administration Strategy Document.
Decide form and frequency of information to accompany payments to the Fund. R69(4)	Administering Authority	LPFA decides the contribution schedules and any relevant administration data to be provided by employers. The approach is documented in the Pension Administration Strategy Document.
Whether to issue employer with notice to recover additional costs incurred as a result of the employer's level of performance. R70 & TP22(2)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Whether to charge interest on payments by employers which are overdue. R71(1)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Decide procedure to be followed by admin authority when exercising its stage two IDRPs and decide the manner in which those functions are to be exercised. R76(4)	Administering Authority	LPFA will follow the published IDRPs procedures, which are made available on its website.

Discretions Section 1 Recommended discretions continued

Section 1 – Discretion, recommended	Discretion Type	LPFA position / comments
Whether administering authority should appeal to the Secretary of State against an employer's decision (or lack of a decision). R79(2)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Specify information to be supplied by employers to enable administering authority to discharge its functions. R80(1)(b) & TP22(1)	Administering Authority	LPFA decide the contribution schedules and any relevant administration data to be provided by employers. The approach is documented in the Pension Administration Strategy Document.
Whether to pay the whole or part of the amount that is due to the personal representatives (including anything due to the deceased member at the date of death) to: <ul style="list-style-type: none"> the personal representatives, or anyone appearing to be beneficially entitled to the estate R82(2)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Whether, where a person is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit. R83	Administering Authority	LPFA will reserve the right to exercise this discretion and will require documentary evidence such as a lasting power of attorney.
Agree to bulk transfer payment. R98(1)(b)	Employer/ Administering Authority / Trustees of new scheme	LPFA will reserve the right to exercise this discretion and will require documentary evidence such as a lasting power of attorney.
Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS. R100(6)	Employer and Administering Authority	LPFA will reserve the right to exercise this discretion.
Allow transfer of pension rights into the Fund. R100(7)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Where member to whom B10 applies (use of average of 3 years pay for final pay purposes) dies before making an election, whether to make that election on behalf of the deceased member. TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) & B10(2)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Make election on behalf of deceased member with a certificate of protection of pension benefits i.e. determine best pay figure to use in the benefit calculations (pay cuts / restrictions occurring pre 1 April 2008). TP8(4), TP10(2)(a), TP17(2)(b) & TSch 1	Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide to treat child (who has not reached the age of 23) as being in continuous full-time education or vocational training despite a break. RSch 1 & TP17(9)(a)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member. RSch 1 & TP17(9)(b)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Extend time period for capitalisation of added years contract. TP15(1)(c) & TSch1 & L83(5)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide whether to delegate any administering authority functions under the Regulations. R105(2)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide procedures applicable to the local pension board. R106(6)	Administering Authority	LPFA has established and documented the procedures as defined within the LPFA Constitutional Document.
Decide appointment procedures, terms of appointment and membership of local pension board. R107(1)	Administering Authority	LPFA has established and documented the procedures as defined within the LPFA Constitutional Document.

Discretions – Section 2 Mandatory discretions – Active members between 1 April 2008 and 31 March 2014 (excluding Councillors)

List of discretionary policies in relation to scheme members (excluding Councillor members) who ceased active membership on or after 1 April 2008 and before 1 April 2014, being discretions under:

- The Local Government Pension Scheme (Administration) Regulations 2008 [SI 2008/239] [**prefix A**]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [SI 20071166] [**prefix B**]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [SI 2008/238] [**prefix T**]
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] [**prefix TP**]
- The Local Government Pension Scheme Regulations 2013 [SI 2013/2356] [**prefix R**]
- The Local Government Pension Scheme Regulations 1997 [SI 1997/1612] (as amended) [**prefix L**]

Section 2 – Discretion	Discretion Type	LPFA position / comments
Decide policy on abatement of pensions following re-employment. TP3(13), A70(1) & A71(4)(c)	Administering Authority where Employer is defunct	LPFA will not use abatement on any service accrued prior to 1 April 2014
Whether to “switch on” the 85-year rule for a member voluntarily drawing benefits on or after age 55 and before age 60. TPSch 2, para 1(2) & 1(1)(c)	Administering Authority where Employer is defunct	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications. The cost of this would fall on the employer which will need to be taken into consideration.
Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 (member). B30(5), TPSch 2, para 2(1)	Administering Authority where Employer is defunct	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications. The cost of this would fall on the employer which will need to be taken into consideration.
Whether to “switch on” the 85-year rule for a pensioner member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60. TPSch 2, para 1(2) & 1(1)(c)	Administering Authority where Employer is defunct	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications. The cost of this would fall on the employer which will need to be taken into consideration.
Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A (pensioner member with deferred benefits). B30A(5), TPSch 2, para 2(1)	Administering Authority where Employer is defunct	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications. The cost of this would fall on the employer which will need to be taken into consideration.

Discretions – Section 2 Recommended discretions – Active members between 1 April 2008 and 31 March 2014 (excluding Councillors)

List of discretionary policies in relation to scheme members (excluding Councillor members) who ceased active membership on or after 1 April 2008 and before 1 April 2014, being discretions under:

- The Local Government Pension Scheme (Administration) Regulations 2008 [SI 2008/239] [**prefix A**]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [SI 20071166] [**prefix B**]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [SI 2008/238] [**prefix T**]
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] [**prefix TP**]
- The Local Government Pension Scheme Regulations 2013 [SI 2013/2356] [**prefix R**]
- The Local Government Pension Scheme Regulations 1997 {SI 1997/1612} (as amended) [**prefix L**]

Section 2 – Discretion	Discretion Type	LPFA position / comments
Extend time period for capitalisation of added years contract where the member leaves his employment by reason of redundancy. TP15(1)(c) & TSch1 & L83(5)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits. A45(3)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Whether to pay the whole or part of the amount that is due to the personnel representatives (including anything due to the deceased member at the date of death) to: <ul style="list-style-type: none"> • personal representatives, or • anyone appearing to be beneficially entitled to the estate; without need for grant of probate / letters of administration where payment is less than amount specified in s6 of the Administration of Estates (Small Payments) Act 1965. A52(2)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Approve medical advisors used by employers (for early payment, on grounds of ill health, of a deferred benefit or a suspended Tier 3 ill health pension). A56(2)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide procedure to be followed by administering authority when exercising its stage two IDRPs and decide the manner in which those functions are to be exercised. TP23 & R76(4)	Administering Authority	LPFA will follow the published IDRPs procedures, which are made available on its website.
Whether administering authority should appeal to the Secretary of State against an employer decision (or lack of a decision). TP23 & R79(2)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Specify information to be supplied by employers to enable administering authority to discharge its functions. TP23, TP22(1) & R80(1)(b)	Administering Authority	LPFA decide the contribution schedules and any relevant administration data to be provided by employers. The approach is documented in the Pension Administration Strategy Document.
Where member to whom B10 applies (use of average of 3 years pay within the period of 13 years ending with the last day of active membership for final pay purposes) dies before making an election, whether to make that election on behalf of the deceased member. B10(2)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Whether to pay the whole or part of a child's pension to another person for the benefit of that child. B27(5)	Administering Authority	LPFA will reserve the right to exercise this discretion and on the provision of relevant documentary evidence.
Whether, where a person (other than an eligible child) is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit. A52A	Administering Authority	LPFA will reserve the right to exercise this discretion.

Discretions – Section 2 Recommended discretions continued

Section 2 – Discretion	Discretion Type	LPFA position / comments
Whether to require any strain on Fund costs to be paid “up front” by employing authority if the employing authority “switches on” the 85-year rule for a member voluntarily retiring prior to age 60, or waives an actuarial reduction on compassionate grounds under TPSch 2, para 2(1). TPSch 2, para 2(3)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Decide whether deferred beneficiary meets permanent ill health and reduced likelihood of gainful employment criteria. B31(4)	Employer (or Administering Authority where Employer has become defunct)	LPFA will reserve the right to exercise this discretion. LPFA will reserve the right to exercise this discretion.
Decide whether a suspended ill health tier 3 member is permanently incapable of undertaking any gainful employment. B31(7)	Employer (or Administering Authority where Employer has become defunct)	LPFA will reserve the right to exercise this discretion.
Decide to whom death grant is paid. B23(2), B32(2), B35(2), TSch1 & L155(4)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member. RSch1 & TP17(9)(b)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide to treat child (who has not reached the age of 23) as being in continuous education or vocational training despite a break. RSch 1 & TP17(9)(a)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide whether to trivially commute a member’s pension under section 166 of the Finance Act 2004. B39(1)(a) & T14(3)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide whether to trivially commute a lump sum death benefit under section 168 of the Finance Act 2004. R39(1)(b)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide whether to pay a commutation payment under regulations 6 (payment after relevant accretion), 11 (de minimis rule for pension schemes) or 12 (payments by larger pension schemes) of the Registered Pension Schemes (Authorised Payments) Regulations 2009 (excludes survivor pensions and pension credit members). R39(1)(c)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more regulations in respect of the same period of Scheme membership. B42(1)(c)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Make election on behalf of deceased member with a certificate of protection of pension benefits i.e. determine best pay figure to use in the benefit calculations (pay cuts / restrictions occurring pre 1 April 2008). TSch 1 & L23(9)	Administering Authority	LPFA will reserve the right to exercise this discretion.

Discretions – Section 3 Mandatory discretions Active members between 1 April 1998 and 31 March 2008 (excluding Councillors)

- The Local Government Pension Scheme Regulations 1997 (as amended) [SI 1997/1612] [**No prefix**]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [SI 2008/238] [**prefix T**]
- The Local Government Pension Scheme (Administration) Regulations 2008 [SI 2008/239] [**prefix A**]
- The Local Government Pension Scheme Regulations 2013 [SI 2013/2356] [**prefix R**]
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] [**prefix TP**]

Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. Also, any part of the benefits which had accrued after 5 April 2006 would generate a scheme sanction charge

Section 3 – Discretion	Discretion Type	LPFA position / comments
Whether to “switch on” the 85-year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60. TPSch 2, para 1(2) & 1(1)(f) & R60	Administering Authority where Employer is defunct	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early. 31(5) & TPSch 2, para 2(1)	Administering Authority where Employer is defunct	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Abatement of pensions following re-employment. TP3(13), A70(1) & A71(4)(c)	Administering Authority	LPFA will not use abatement on any service accrued prior to 1 April 2014.

Discretions – Section 3 Recommended discretions Active members between 1 April 1998 and 31 March 2008 (excluding Councillors)

- The Local Government Pension Scheme Regulations 1997 (as amended) [SI 1997/1612] **[No prefix]**
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [SI 2008/238] **[prefix T]**
- The Local Government Pension Scheme (Administration) Regulations 2008 [SI 2008/239] **[prefix A]**
- The Local Government Pension Scheme Regulations 2013 [SI 2013/2356] **[prefix R]**
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] **[prefix TP]**

Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. Also, any part of the benefits which had accrued after 5 April 2006 would generate a scheme sanction charge.

Section 3 – Discretion	Discretion Type	LPFA position / comments
Decide to whom death grant is paid. 38(1) & 155(4)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide to treat child (who has not reached the age of 23) as being in continuous education or vocational training despite a break. TP17(9)(a) & RSch 1	Administering Authority	LPFA will reserve the right to exercise this discretion.
Apportionment of children's pension amongst eligible children. 47(1)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Pay child's pension to another person for the benefit of the child. 47(2)	Administering Authority	LPFA will reserve the right to exercise this discretion and on the provision of relevant documentary evidence.
Decide whether to trivially commute a member's pension under section 166 of the Finance Act 2004 (includes pre 1 April 2008 leavers or Pension Credit members where the effective date of the Pension Sharing Order was pre 1 April 2014 or where the effective date of the Pension Sharing Order is after 31 March 2014 but the debited member had no post 31 March 2014 membership of the 2014 Scheme). 49(1) & T14(3)	Administering Authority	LPFA will reserve the right to exercise this discretion
Decide whether to trivially commute a lump sum death benefit under section 168 of the Finance Act 2004. 49(1)	Administering Authority	LPFA will reserve the right to exercise this discretion
Decide whether to commute benefits due to exceptional ill-health (including Pension Credit members where the effective date of the Pension Sharing Order was pre 1 April 2014 or where the effective date of the Pension Sharing Order is after 31 March 2014 but the debited member had no post 31 March 2014 membership of the 2014 Scheme). 50 and 157	Administering Authority	LPFA will reserve the right to exercise this discretion
Whether to require any strain on Fund costs to be paid "up front" by employing authority if the employing authority "switches on" the 85 year rule for a member voluntarily retiring on or after age 55 and prior to age 60, or waives an actuarial reduction on compassionate grounds under TPSch 2, para 2(1). TPSch 2, para 2(3)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits. 89(3)	Administering Authority	LPFA will reserve the right to exercise this discretion and will deal with it on a case-by-case basis taking account of any financial implications.
Timing of pension increase payments by employers to fund. 91(6)	Administering Authority	LPFA decide the contribution schedules and any relevant administration data to be provided by employers. The approach is documented in the Pension Administration Strategy Document.
Whether to pay the whole or part of the amount that is due to the personnel representatives (including anything due to the deceased member at the date of death) to: <ul style="list-style-type: none"> • personal representatives, or • anyone appearing to be beneficially entitled to the estate 95	Administering Authority	LPFA will reserve the right to exercise this discretion

Discretions – Section 3 Recommended discretions continued

Section 3 – Discretion	Discretion Type	LPFA position / comments
Approve medical advisors used by employers. 97(10)	Administering Authority	LPFA will reserve the right to exercise this discretion
Decide procedure to be followed by admin authority when exercising its stage two IDRPs functions and decide the manner in which those functions are to be exercised. TP23 & R76(4)	Administering Authority	LPFA will follow the published IDRPs procedures, which are made available on its website.
Whether administering authority should appeal to the Secretary of State against an employer decision (or lack of a decision). TP23 & TP22(1) & R80(1)(b)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Specify information to be supplied by employers to enable administering authority to discharge its functions. TP23 & TP22(1) & R80(1)(b)	Administering Authority	LPFA decide the contribution schedules and any relevant administration data to be provided by employers. The approach is documented in the Pension Administration Strategy Document.
Date to which benefits shown on annual deferred benefit statement are calculated. 106A(5)	Administering Authority	LPFA decides the date in accordance with later regulations, i.e. the 31st March.

Discretions – Section 4 Mandatory discretions Active members who left before 1 April 1998

List of discretionary policies in relation to scheme members who ceased active membership before 1 April 1998, under

- The Local Government Pension Scheme Regulations 1995 (as amended) [SI 1995/1019]
- The Local Government Pension Scheme Regulations 1997 (as amended) [SI 1997/1612] [**prefix L**]
- The Local Government Pension Scheme (Transitional Provisions) Regulations [SI 1997/1613] [**prefix TL**]
- The Local Government Pension Scheme (Administration) Regulations 2008 [SI 2008/239] [**prefix A**]
- The Local Government Pension Scheme Regulations 2013 [SI 2013/2356] [**prefix R**]
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] [prefix TP]

Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. However, as the benefits had accrued prior to 6 April 2006, they would not generate a scheme sanction charge.

Section 4 – Discretion	Discretion Type	LPFA position / comments
Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds. Although the common provisions of the 1997 Transitional provisions regulations do not specify regulation D11(2)(c), there intention was that it should apply to this regulation. TP3(5A)(vi), TL4, L106(1) & D11(2)(c)	Administering Authority where Employer is defunct	LPFA will reserve the right to exercise this discretion.
Abatement of pensions following re-employment. TP3(13), A70(1) & A71(4)(c)	Administering Authority	LPFA will not use abatement on any service accrued prior to 1 April 2014.

Discretions – Section 4 Recommended discretions Active members who left before 1 April 1998

List of discretionary policies in relation to scheme members who ceased active membership before 1 April 1998, under

- The Local Government Pension Scheme Regulations 1995 (as amended) [SI 1995/1019]
- The Local Government Pension Scheme Regulations 1997 (as amended) [SI 1997/1612] [**prefix L**]
- The Local Government Pension Scheme (Transitional Provisions) Regulations [SI 1997/1613] [**prefix TL**]
- The Local Government Pension Scheme (Administration) Regulations 2008 [SI 2008/239] [**prefix A**]
- The Local Government Pension Scheme Regulations 2013 [SI 2013/2356] [**prefix R**]
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] [**prefix TP**]

Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised-payments charge and, where applicable, an unauthorised-payments surcharge under the Finance Act 2006. However, as the benefits had accrued prior to 6 April 2006, they would not generate a scheme sanction charge.

Section 4 – Discretion	Discretion Type	LPFA position / comments
Decide to whom death grant is paid. E8	Administering Authority	LPFA will reserve the right to exercise this discretion.
Whether to pay spouse's pensions for life (rather than ceasing during any period of remarriage or co-habitation). F7	Administering Authority	LPFA will pay spouse's pensions for life.
Decide to treat child (who has not yet reached the age of 23) as being in continuous education or vocational training despite a break. TP17(9)(a) & RSch 1	Administering Authority	LPFA will reserve the right to exercise this discretion.
Apportionment of children's pension amongst eligible children. G11(1)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Apportionment of children's pension amongst eligible children. G11(12)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Decide procedure to be followed by admin authority when exercising its stage two IDRPs and decide the manner in which those functions are to be exercised TP23 & R76(4)	Administering Authority	LPFA will follow the published IDRPs procedures, which are made available on its website.
Whether administering authority should appeal to the Secretary of State against employer decision (or lack of a decision) TP23 & R79(2)	Administering Authority	LPFA will reserve the right to exercise this discretion.
Specify information to be supplied by employers to enable administering authority to discharge its functions. TP23, TP22(1) & R80(1)(b)	Administering Authority	LPFA decide the contribution schedules and any relevant administration data to be provided by employers. The approach is documented in the Pension Administration Strategy Document.

Discretions – Section 6 Recommended in relation to former employees of an employing authority that is a body that is a scheduled body, a designate body, or a body that is deemed to be a scheduled body under the LGPS Regulations 2013 and equivalent predecessor regulations (excluding admitted bodies).

- The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended) [SI 2000/1410]

Section 6 – Discretion	Discretion Type	LPFA position / comments
Agree to pay annual compensation on behalf of employer and recharge payments to employer. 31(2)	Administering Authority	LPFA will reserve the right to exercise this discretion.

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1.0	New version of document	Governance Team	All staff	27.10.2022	LPFA Board	Bi-Annual