



### **3 Changes to Pension Policy**

The main changes to the policy are as follows:

- 3.1 The Employment Equality (Repeal of Retirement Age Provisions) Regulations 2011 came into force on 6 April this year. As a result of this, the Default Retirement Age (DRA) is being phased out over a transitional period running until 30 September 2011. In order to comply with the new regulations, reference to the default retirement age of 65 has been removed from the policy.
- 3.2 The Local Government Pension Scheme continues to consider the normal retirement age of all members to be 65, however, employees working in Local Government can remain members of the scheme up until the age of 75. This information has been added to the policy.
- 3.3 In order to comply with the new regulations, the policy has been changed to reflect the fact that an employee can now continue to work beyond the age of 65 without needing to make an application to their line manager to ask to continue working.
- 3.4 The Local Government Pension Scheme publish a table that links the whole time equivalent pay bandings to the percentage contributions members of the scheme have to pay into the pension fund. The salary ranges in the contributions table have been increased for 2011/12 in line with the annual increase in the Consumer Prices Index, therefore, the table in the policy has been revised to reflect this change. The percentage contribution rates have not changed. The Council's contribution rate has also been revised to reflect the 2011/12 rate of 13.1%.
- 3.5 Employees may appeal against a decision of the Council relating to their pension, however, neither of the two existing Appeal Sub-Committees currently have the remit to hear pensions appeals. A separate report has been prepared detailing how this can be addressed. The decision will be reflected in the revised policy.

### **4 Corporate Objectives and Priorities**

- 4.1 It is important that all policies and procedures are reviewed and updated on a regular basis. The HR policies and procedures will be reviewed on a bi-annual basis, or sooner, where there are legislative changes that affect a particular policy.
- 4.2 Policies and procedures are working documents that are used by managers to apply transparent and equitable actions when dealing with employment matters. It is important that managers receive guidance on a range of actions and decisions that they can take and that employees can assess whether they are being treated fairly in a range of situations.

## **5 Consultations/Communications**

- 5.1 The Council has a robust process for reviewing and developing policies and procedures. The process includes review by Heads of Service or their nominated deputies, and consultation with the Council's Policy and Procedures Review Group, including Trade Union representatives.

## **6 Option Appraisal**

- 6.1 The Pensions Policy is necessary for the fair and equitable operation of the Local Government Pension Scheme. Without adequate policies, the Council is at risk of not implementing legislation, treating employees unfairly and facing challenge through appeals processes and at Employment Tribunals. Policies are developed to ensure they represent good practice and fit with the Council's values.
- 6.2 As the changes to the Pensions Policy are purely legislative there are no further options to consider.

## **7 Risk Management**

- 7.1 An evaluation of the risks associated with the matters in this report indicate that further risk assessment is not needed because the changes/issues covered do not represent significant risks or have previously been considered by Councillors at General Purpose Committees in the past.

## **8 Resource Implications**

- 8.1 There are no direct resource implications; however, these documents should enable managers to manage more effectively by providing clearer guidance for dealing with situations linked to pensions.

## **9 Legal Implications**

- 9.1 The Pension Policy is necessary to comply with the pension regulations.
- 9.2 An EQIA is not needed because the issues covered have previously been considered by Councillors on 29 September 2010, at General Purposes Committee, item 198.
- 9.3 Community Safety - none
- 9.4 Environmental Health/Sustainability Issues - none
- 9.5 Property Issues - none
- 9.6 Wards/Communities Affected – none

## 10 Conclusion

- 10.1 The Pensions Policy and is essential for the effective and fair application of the pension scheme and management of the Council's employees. It is also essential to ensure that the Council is operating policies that are compliant with legislation and best practice.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	Nil	File Ref:	
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