



Pension Fund Committee Friday, 7 December 2012

ADDENDA

10. Report of Main Issues arising from Reports of the Fund Managers not represented at this meeting (Pages 1 - 2)

A report which is confidential for the reason as stated on the Agenda, of the visit by officers to Baillie Gifford, is attached.

15. Local Government Pension Scheme (Miscellaneous Regulations) 2012 (Pages 3 - 6)

A draft Policy for assessing requests for early payment of pensions is attached for consideration.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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OXFORDSHIRE COUNTY COUNCIL PENSION FUND

EARLY RELEASE OF BENEFITS POLICY STATEMENT

Introduction

1. This Early Release of Benefits Policy Statement of the Oxfordshire County Council Local Government Pension Scheme Pension Fund is published under the Local Government Pension Scheme (Miscellaneous) Regulations 2012. SI 2012 No. 1989.
2. The Local Government Pension Scheme (Miscellaneous) Regulations 2012 refers only to members with a deferred benefit due under the LGPS (Benefits, Membership and Contribution) Regulations 2007. However, to ensure consistency the Oxfordshire County Council Pension Fund will also apply this policy to deferred and pensioner members to whom the 1995 and 1997 Regulations apply.

Purpose

3. This policy sets out the Oxfordshire County Council Pension Fund's strategy to deal with request for the early release of member benefits in cases where the former employer no longer exists, and there is no successor body, within the Oxfordshire County Council Pension Fund.
4. The policy applies, in the context of LGPS administration, to members as defined in Schedule 1 of the principal regulations and, in turn, by section 124(1) of the Pensions Act 1995 to include:
 - Deferred members
 - Pensioner members with deferred benefits
5. Employing authorities, as defined within the regulations : -
 - Statutory Scheduled Bodies such as the County and District Councils, Colleges of Further Education and Oxford Brookes University; Academies
 - Resolution Bodies being the Town and Parish Councils
 - Admission Bodies, where the Pension Fund Committee have granted scheme admission

Aim

6. To ensure that all scheme members whose former employer is no longer an active scheme employer, has access to a procedure to request early payment of their benefits, in the following circumstances: -

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- Where a scheme member applies for early payment of benefits on, or after age 55 but prior to age 60, which requires the consent of their former employer for payment to be made.
- Where a scheme member applies for early payment of benefits on the grounds that the member has become permanently incapable of discharging efficiently the duties of their former employment because of ill-health or infirmity of mind or body and has a reduced likelihood of being capable of gainful employment before normal retirement age, or at least three years, whichever is earlier. This will require the Oxfordshire County Council Pension Fund to obtain an opinion from an Independent Registered Medical Practitioner, before agreeing to the release of any benefits.
- Under the LGPS (Benefits, Membership and Contributions) Regulations 2007 an employing authority can agree to waive, on compassionate grounds, any actuarial reduction that would be applied to benefits paid earlier than the member's Normal Retirement Age
- A member who has a tier 3 ill health pension that has been suspended can apply to the former employing authority to have the suspended pension brought back into payment on or after age 55 but an election prior to age 60 is ineffective unless the former employing authority agrees to the early release on the grounds that the member has become permanently incapable of undertaking any gainful employment. The former employing authority has to obtain an opinion from an Independent Registered Medical Practitioner before agreeing to bring the suspended pension back into payment on these grounds.
- Note: Where a scheme member has deferred benefits under the 1995 or 1997 regulations, the provision of those regulations will apply to any application

Decision Making

In making any decision the Oxfordshire County Council Pension Fund will take account of:

- Employing authorities' policy statements relating to the exercise of discretion, where available.
- The cost of making any such decision (if these costs are not justifiable Oxfordshire County Council Pension Fund can refuse the request for early release of benefits)
- How the costs will be met, doubtless by all current fund employers.
- Waiving, on compassionate grounds, of any actuarial reduction to be applied on the payment of deferred benefits before Normal Retirement Age under the LGPS Regulations 1997, or
- The early release of (unreduced) deferred benefits on compassionate grounds under the LGPS Regulations 1995.

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Review of This Policy

7. This policy will be reviewed if there is a material change to the regulatory position surrounding early release of benefit payments, and at an interim time as deemed appropriate by Officers.

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