

## **As Administering Authority of the Isle of Man Local Government Superannuation Scheme**

### **Statement of Policy on Discretions – Administering Authority**

**October 2016**

## **Douglas Borough Council - Statement of Policy on Discretions – Administering Authority**

### **Introduction**

This policy has been determined by the Douglas Borough Council (Douglas) as the administering authority in accordance with the Local Government Superannuation Scheme (the scheme) 2012. The discretions will apply to all members of the Scheme.

The policy was approved by the Pensions Committee at its meeting on Tuesday, 26th March 2013 and updated by the Committee on Wednesday 26<sup>th</sup> October 2016.

It sets out the criteria that will be considered when making a decision about the use of administering authority discretions. Any decision relating to these discretionary provisions will be subject to the policy which is current at the time of the relevant event. In the event of a conflict between the discretion as written in this policy and the governing regulations, the governing regulations will prevail.

These policy decisions equally apply (where relevant) to scheme members who left prior to 1st April 2012 and the equivalent provisions in previous versions of legislation, albeit just in relation to discretions exercised since 1st April 2012 or the date of this policy if later. The policy decisions also apply to pension credit members where relevant.

Douglas, in its capacity of administering authority, retains the right to change the policy at any time on the condition that it is published at least one month before the change(s) being introduced come(s) into effect. This policy does not give, nor shall it be deemed to give, any contractual rights to any employee of any scheme employer, or to any other person whatsoever.

### **Key Principles of Discretions**

The policy adopted for each discretion requires the following principles to be observed:

- All discretions will be exercised reasonably and in good faith.
- Douglas Borough Council will only exercise a discretion that will cause it to incur a material cost if it is satisfied that there will be a corresponding benefit to it as the Administering Authority.
- All decisions will be formally recorded by the decision maker and monitored by Douglas Borough Council as appropriate.
- Have regard to the extent to which the exercise of their discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service.
- Be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

## Full Discretionary policy

Description	Regulation number(s)	Policy	Costs
<p><b>1. NON-MANDATORY</b></p> <p>The Administering Authority may: -</p> <ul style="list-style-type: none"> <li>• Agree to an admission agreement with an admission body, and</li> <li>• Terminate the admission agreement if the admission body ceases to be such a body, and</li> <li>• Set up a separate pension fund in respect of admission bodies.</li> <li>• Revise the employer’s contribution rate on termination of an admission agreement where underfunding is not met by insurer, bond or indemnity.</li> <li>• Revise the employer’s contribution rate with a view to ensuring no underfunding by the time the admission agreement terminates.</li> </ul> <p>An admission body is defined as a body, other than the governors of a voluntary school (within the meaning of the Education Act 2001(an Act of Tynwald)), which provides a public service in the United Kingdom other than for the purposes of gain which is approved by the Department of Infrastructure for the purpose of admission to the scheme.</p>	<p>A5(1) &amp; A7(2) &amp; A32(1) &amp; A38(3) &amp; A38(4)</p>	<p>The Council will: -</p> <ul style="list-style-type: none"> <li>• Only agree to an admission agreement as directed by the Department of Infrastructure, and</li> <li>• Terminate any such agreement if the body ceases to meet the definition of an admission body, and</li> <li>• Not set up a separate pension fund in respect of admission bodies, and</li> <li>• Reserve the right to revise the employer’s contribution rate on the termination of an admission agreement where the underfunding is not met by insurer, bond or indemnity, and</li> <li>• Revise the employer’s contribution rate with a view to ensure no underfunding is present by the time an admission agreement terminates.</li> </ul>	<p>Cost implications (if any) will be assessed upon direction or any changes to an admission agreement.</p>

## Full Discretionary policy

<p><b>2. NON-MANDATORY</b></p> <p>The Administering Authority may decide the frequency upon which pension contributions are made by employees.</p>	<p>B3(11)</p>	<p>Employees contributions will be deducted at each pay reference period, whether this be weekly, monthly or lunar monthly, etc.</p> <p>Where contributions cannot be deducted from pay (e.g. where arrears of contributions are due in respect of an unpaid period due to an absence) the employing authority will: -</p> <ul style="list-style-type: none"> <li>• Agree the period over which the contributions are to be paid with the employee and inform the Council accordingly, with the exception of</li> <li>• Where the values of the arrears are excessive. In which case the employing authority must first agree the payment term with the Council.</li> </ul>	<p>Administration costs associated with payroll with regards the deduction of contributions.</p>
<p><b>3. NON-MANDATORY</b></p> <p>At the end of reserve forces leave a member may decide that they do not want the leave to be counted as pensionable service. They must elect to the Administering Authority within 12 months of the end of the leave, or such a longer period as the Administering Authority may allow, by issuing a cancelling notice to that effect.</p>	<p>A19(8)(b)</p>	<p>All elections must be made within 12 months from the end of the reserve forces leave.</p>	<p>None.</p>
<p><b>4. NON-MANDATORY</b></p> <p>The Administering Authority may agree the method of paying for additional membership granted under B12 or additional pension granted under B13.</p>	<p>A40(2) &amp; (4)</p>	<p>All payments are to be made by way of a lump sum calculated in accordance with fund actuary's guidance.</p>	<p>Administration costs only.</p>

## Full Discretionary policy

<p><b>5. NON-MANDATORY</b></p> <p>Whether to extend the one month period within which a lump sum payment by the employer under A40 (2) has to be made (to pay for any augmented membership granted under B12 or additional pension granted under B13).</p> <p>Before the resolution to award additional membership can take effect the lump sum payment under A40 (2) must be made by the employer.</p>	A40(9)(b)	An invoice will be issued for the lump sum following the Council's receipt of the resolution authorising the award. The invoice should be paid within one month of the date that it was issued (30 days) and interest will be charged thereafter.	Administration costs only.
<p><b>6. NON-MANDATORY</b></p> <p>The Administering Authority may require a satisfactory medical before agreeing to an additional regulation contribution (ARC) election under B14.</p>	A23(3)	An application from an employee will only be accepted if accompanied by a medical report provided by a general practitioner stating that the employee is in reasonably good health. The cost of obtaining such a report must be met by the employee.	No costs.
<p><b>7. NON-MANDATORY</b></p> <p>The Administering Authority may require a satisfactory medical before agreeing to a request to pay additional contributions for survivor benefits (ASBC) election under B14A.</p>	A24(3)	An application from an employee will only be accepted if accompanied by a medical report provided by a general practitioner stating that the employee is in reasonably good health. The cost of obtaining such a report must be met by the employee.	No costs.

## Full Discretionary policy

<p><b>8. NON-MANDATORY</b></p> <p>Upon retirement, a member may use an in house AVC fund to purchase additional pension within the scheme. Where the member does not elect to proceed within 3 months from the date they were supplied with the information, the Administering Authority may deduct the cost of calculating the additional pension from the AVC fund.</p>	<p>A28(2)</p>	<p>The Council will deduct the cost of calculation, from the member's AVC fund where either an election to proceed or otherwise is received outside of 3 months from the date with which the member was supplied with the relevant information. The member will be notified.</p>	<p>Administration costs only, offset by the collection of fees.</p>
<p><b>9. MANDATORY</b></p> <p>Governance policy must state whether the admin authority delegates its function or part of its function in relation to maintaining a pension fund to a committee, a subcommittee or an officer of the admin authority and, if it does so delegate, state</p> <ul style="list-style-type: none"> <li>• the frequency of any committee or sub-committee meetings</li> <li>• the terms of reference, structure and operational procedures appertaining to the delegation</li> <li>• whether representatives of employing authorities or members are included and, if so,</li> <li>• whether they have voting rights.</li> </ul> <p>The policy must also state the extent to which a delegation, or the absence of a delegation, complies with guidance of the Department of Infrastructure and, to the extent it does not so comply, state the reasons for not complying.</p> <p>The first such policy must be published on or before 1 January 2013.</p>	<p>A31*</p>	<p>The Council's Constitution clearly sets out the statutory requirements.</p> <p>Standing Order 90 shows the frequency of meetings.</p> <p>The Responsibility for Functions and Scheme of Delegation shows the management structure of Douglas Borough Council. Representation is by 5 members of the Council. An independent member is elected by the Council with voting rights.</p>	<p>Administrative costs only to be borne by the Pension Fund.</p>

## Full Discretionary policy

<b>10. MANDATORY</b>  The Administering Authority must decide on a Funding Strategy for inclusion in the funding strategy statement.	A35*	The funding strategy clearly notes the statutory requirements and can be found <a href="#">HERE</a>	Administrative costs only to be borne by the Pension Fund.
<b>11. NON-MANDATORY</b>  The Administering Authority must consider whether to obtain a new rates and adjustments certificate if the Department of Infrastructure amends the Benefits Regulations as part of the “cost sharing” under A36A.	A38A	In such circumstances the Council will seek guidance from the Pension Fund Actuary to establish if a revised rates and adjustment certificate should be obtained. Where this is the case the revised certificate will be effective from the 1 <sup>st</sup> April in the second year following the valuation date.	Actuarial costs borne by the Pension Fund.

## Full Discretionary policy

### 12. NON-MANDATORY

The Administering Authority may require any strain on Fund costs to be paid "up front" by the employing authority following: -

- Redundancy under B19,
- Flexible retirement under B18, or
- The waiver (in whole or in part) of any actuarial reduction on flexible retirement under B18.
- Voluntary early retirement under B30(2) before age 60, or
- The waiver of any actuarial reduction on compassionate grounds under B30(5).

Any lump sum must be paid within 1 month of the award though the Administering Authority may agree to extend this period.

A41(2)

All payments are to be made by way of a lump sum calculated in accordance with fund actuary's guidance payable at the point of retirement.

An invoice will be issued for the lump sum shortly after the date of retirement and the invoice should be paid within one month of the date that it was issued (30 days). Interest will be charged after this date.

Administration costs only to be borne by the Pension Fund.

## Full Discretionary policy

### 13. NON-MANDATORY

The Administering Authority may decide the frequency of payments to be made over to the Fund by employers and whether to make an admin charge.

The Administering Authority may decide the form and frequency of information to accompany payments to the Fund.

A42(1) & (4)  
& (7)

Contributions should be paid on a monthly basis and information relating to those contributions should also be provided on a monthly basis. Contributions should be paid within 19 days of the end of the month in which they were deducted.

The information to accompany those contributions should be as follows: -

- Name,
- Pensionable pay,
- Value of scheme contributions paid,
- Period covered by the deduction of scheme contributions,
- Band of contributions in which the employee has been placed,
- Effective date of when the employee commenced paying that rate of contribution,
- Value of any additional contributions and to what those additional contributions relate: -
  - purchase of additional membership,
  - purchase of additional pension,
  - any in house AVCs
  - any shared cost AVCs

Administration costs only.

## Full Discretionary policy

<p><b>14. NON-MANDATORY</b></p> <p>The Administering Authority may decide to issue an employer with notice to recover additional costs incurred as a result of the employer's level of performance.</p> <p>Where they do so, the provisions by which the Administering Authority has made this decision should be outlined within a written pension's administration strategy statement.</p>	<p>A43 &amp; A65(1)&amp;(2)</p>	<p>The Council will not recover any additional costs incurred as a result of the employer's level of performance and will not prepare a Pension's Administration Strategy Statement.</p>	<p>None.</p>
<p><b>15. NON-MANDATORY</b></p> <p>The Administering Authority may require any employer to pay interest on payments overdue by more than 1 month ('the due date').</p>	<p>A44(1)</p>	<p>Interest will be charged in all circumstances permitted by the regulations. Minimum charge £30.</p> <p>For the purpose of calculating interest, the due date for: -</p> <ul style="list-style-type: none"> <li>• Employer contributions are the 19<sup>th</sup> of the month, following the month in which they were deducted.</li> <li>• Strain and additional membership/additional pension costs where the due date is the date of the invoice.</li> </ul> <p>The actual payment due will be calculated in accordance with statutory requirements (presently, base rate, plus 1%).</p>	<p>Administration costs only.</p>

## Full Discretionary policy

<p><b>16. NON-MANDATORY</b></p> <p>The Administering Authority may recover outstanding employee contributions as a simple debt or by deduction from benefits.</p>	<p>A45(3)</p>	<p>The Council will recover any outstanding employee contributions from any benefits due or where this is not possible the Council may pursue the debt through court action.</p>	<p>Minimal administration costs only.</p>
<p><b>17. NON-MANDATORY</b></p> <p>The Administering Authority may, where a pensioner or other beneficiary (other than an eligible child) is incapable of managing their affairs, pay the whole or part of that person's pension benefits to another person for the benefit of the member only.</p> <p>Such payment will normally be made to a third party who is caring for the person who is entitled to receive the benefits.</p>	<p>A52A</p>	<p>The Council will consider each case on its own merits. The Council in making its decision will take into account whether the third party has demonstrated an appropriate legal link with the beneficiary.</p>	<p>Administering costs only.</p>
<p><b>18. NON-MANDATORY</b></p> <p>The Administering Authority may pay a death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration.</p>	<p>A52(2) &amp; B23(2) &amp; B32(2) &amp; B35(2) &amp; TSch1 &amp; L155(4)</p>	<p>The Council will pay a death grant to a beneficiary without the need for grant of probate / letters of administration. In considering as to whom such payment shall be made the Council will follow a robust process in identifying those eligible based on the process agreed and approved by Council in March 2014. See <a href="#">APPENDIX 1</a></p>	<p>Administration costs only.</p>

## Full Discretionary policy

<p><b>19. MANDATORY</b></p> <p>The Administering Authority must approve the medical advisors used by employers (for ill health benefits) where the employing authority is not the Administering Authority.</p>	A56(2)	Two doctors have been approved for certifying permanent incapacity and the likelihood of a member being capable of undertaking 'gainful employment' under LGSS regulations. Contact details will be provided on application. Employers may refer more doctors for approval.	No costs.
<p><b>20. NON-MANDATORY</b></p> <p>The Administering Authority must determine the procedure it will follow when exercising its stage two Internal Dispute Resolution Procedure (IDRP) functions and decide the manner in which those functions are to be exercised.</p>	A60(8)	All stage 2 disputes will be sent to the Appointed Person for consideration and determination of whether or not the member was treated within the terms of the Scheme regulations.	Administration costs incurred by the necessity to seek advice and will be recharged directly to the Pension Fund.
<p><b>21. NON-MANDATORY</b></p> <p>The Administering Authority may appeal to the Department of Infrastructure against an employer's decision (or lack of a decision) for a determination.</p> <p>This regulation only applies where the employing authority is not the Administering Authority and any such appeal must be made within the specified timescales.</p>	A60(2)	The Council will exercise this function should the need arise.	Administration costs only.
<p><b>22. NON-MANDATORY</b></p> <p>When the employing authority makes a determination, the Administering Authority may specify the information to be supplied to it, to enable it to discharge its functions.</p>	A64(1)(b)	The Council, will where appropriate specify to the employing authority the information to be supplied in such circumstances.	Administration costs only.

## Full Discretionary policy

<p><b>23. MANDATORY</b></p> <p>The Administering Authority must set out policy on communicating with members, representatives of members, prospective members and employing authorities and format, frequency and method of communications.</p>	<p>A67*</p>	<p>The communications policy clearly notes the statutory requirements and may be found <a href="#">HERE</a></p>	<p>Administrative costs only to be borne by the Pension Fund.</p>
<p><b>24. NON-MANDATORY</b></p> <p>The Administering Authority may determine that the relevant date used to calculate benefits as shown on the annual benefit statement may be later than the 31<sup>st</sup> March.</p>	<p>A68</p>	<p>The Council will provide annual benefit statements calculated to the 31<sup>st</sup> March each year.</p>	<p>Administrative costs only.</p>
<p><b>25. MANDATORY</b></p> <p>The Administering Authority must set out a policy on abatement of pensions following re-employment.</p>	<p>A70(1)* &amp; A71(4)(c) &amp; T12</p>	<p>The method of abatement should follow the principles set out in the LGPS Regulations 1995.</p>	<p>Administration costs only.</p>
<p><b>26. NON-MANDATORY</b></p> <p>The Administering Authority may allow the transfer of pension rights into the Fund.</p> <p>Note: The Club Memorandum dictates that a member election to proceed with a club transfer within 12 months of joining the Scheme must be accepted.</p>	<p>A83(9)</p>	<p>The Council will permit all transfers from registered Schemes including registered Overseas Schemes where statutory timescales are met.</p>	<p>There may be a cost where the Scheme Actuary's transfer basis and the Fund Actuary's valuation basis differ.</p>

## Full Discretionary policy

<p><b>27. NON-MANDATORY</b></p> <p>Where a 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, the Administering Authority may give notice on behalf of the deceased member.</p>	B10(2)	The Council will give notice to ensure that dependents' benefits are not detrimentally effected	Administration costs only.
<p><b>28. NON-MANDATORY</b></p> <p>The Administering Authority may decide whether to pay the whole or part of a child's pension to another person for the benefit of that child.</p>	B27(5)	<p>The Council will pay the whole or part of a child's pension to another person for the benefit of that child where the eligible child is either: -</p> <ul style="list-style-type: none"> <li>• Aged less than 18 and in full time education, or</li> <li>• Aged less than 16, or</li> <li>• Any age where the child is an eligible child determined by reference to the Disability Discrimination Act 2006 (an Act of Tynwald).</li> </ul>	No additional costs.
<p><b>29. NON-MANDATORY</b></p> <p>To enable a nominated cohabiting partner to be treated as such, the Administering Authority may decide the evidence required to determine the: -</p> <ul style="list-style-type: none"> <li>• Financial dependence of a nominated cohabitee on the scheme member, or</li> <li>• Financial interdependence of nominated cohabitee and scheme member.</li> </ul>	B25	<p>The Council will ask the nominated cohabiting partner to supply several forms of evidence of financial dependency/interdependency such as joint bank statements and utility bills, before treating the nominee as a cohabiting partner.</p> <p>Evidence will only be required where the member pre-deceases the cohabiting partner.</p>	Administration cost only.

## Full Discretionary policy

<p><b>30. NON-MANDATORY</b></p> <p>The Administering Authority may decide to treat a dependent child who commences full time education or vocational training after the date of the member's death and after the child attains age 18 until age 23 as an eligible child.</p>	<p>B26(4)</p>	<p>The Council will instate a child's pension to a child who returns to full time education or vocational training after the member's death provided all other eligibility criteria are met.</p>	<p>Administration costs only.</p>
<p><b>31. NON-MANDATORY</b></p> <p>The Administering Authority may decide to treat a child as being in continuous education or training, despite a break up to the age of 23.</p> <p>The above situation is likely to occur where the child takes a gap year either working or travelling.</p> <p>The Administering Authority may also decide to suspend payment of the child's pension during such a break.</p>	<p>B26(5)(a) &amp; B26(5)(b)</p>	<p>If a child commences full time education or training from the age of 16 and remains continuously doing so, but for a break of up to 1 academic year as a result of a 'gap year' and thereafter resumes the same education or training, then the Council will: -</p> <ul style="list-style-type: none"> <li>• Suspend payment of the child's pension throughout the break, and</li> <li>• Treat the break as continuous and resume payment of the child's pension at the end of the break, whilst all other eligibility criteria are met.</li> </ul>	<p>Administration costs only.</p>
<p><b>32. NON-MANDATORY</b></p> <p>The Administering Authority may decide to treat a dependent child who is disabled within the meaning of the Disability Discrimination Act 2006 (an Act of Tynwald) as being an eligible child. Where such a decision is taken, the child may be paid a pension beyond the age of 23.</p>	<p>B26(6)</p>	<p>The Council has adopted this policy and will require both initial and where permanency of the relevant condition is not established, regular certification by the child's practitioner that the child initially meets and thereafter continues to meet the definition within the Act.</p> <p>Initial and continued certification will be secured and paid for by the beneficiary.</p>	<p>Administration costs only.</p>

## Full Discretionary policy

<p><b>33. NON-MANDATORY</b></p> <p>The Administering Authority may decide whether or not to commute a small pension to discharge future liabilities (known as trivial commutation) within the meaning of both the Scheme regulations and Tynwald legislation.</p>	<p>B39 &amp; T14(3)</p>	<p>The Council will pay a trivial commutation lump sum where the legislation allows and where a positive election is received from the member.</p>	<p>Administration costs only.</p>
<p><b>34. NON-MANDATORY</b></p> <p>If a member would be entitled to a benefit under 2 or more different regulations in respect of the same period of Scheme membership the member may choose under which provision the benefits may be paid. Where the member does not make a decision the Administering Authority may make a decision on the member's behalf.</p>	<p>B42(1)(c)</p>	<p>Where the situation arises, though this will be extremely rare, the Council will make the most beneficial decision on behalf of the member.</p>	<p>Administration costs only.</p>
<p><b>35. NON-MANDATORY</b></p> <p>Where a 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 1.4.12.) dies before making an election, the Administering Authority may make the election on behalf of the member.</p>	<p>TSch 1 &amp; L23(9)</p>	<p>The Council will give notice to ensure that dependents' benefits are not detrimentally affected.</p>	<p>Administration costs only.</p>
<p><b>36. NON-MANDATORY</b></p> <p>The Administering Authority may: -</p> <ul style="list-style-type: none"> <li>• Extend the normal time limit for acceptance of restitution of a transfer value beyond the 12 months from joining the Scheme, and</li> <li>• Decide whether or not to accept a partial restitution payment.</li> </ul>	<p>TSch1 &amp; L122A(2)(c) &amp; TSch1 &amp; L122A(8)</p>	<p>The Council will not extend the 12 month time limit, nor accept partial restitution payments.</p>	<p>Administration costs only.</p>

## Full Discretionary policy

### 37. NON-MANDATORY

The Administering Authority may discharge their liability in respect of a pension credit in accordance with the Tynwald legislation.

TSch1 &  
L147

The Council will discharge their liability in accordance with guidance issued by the Scheme Actuary.

No costs.

## Full Discretionary policy

### Discretions under the Local Government Superannuation Scheme 2012, with reference to regulations in England and Wales re the Local Government Pension Scheme 1997 (as amended) in relation to post 31.3.98 and pre 1.4.12 scheme leavers

Description	Regulation number	Policy	Costs
<p><b>38. NON-MANDATORY</b></p> <p>The Administering Authority may pay a death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration.</p>	38(1) & 97 & 155(4)	See 18.	
<p><b>39. NON-MANDATORY</b></p> <p>The Administering Authority may decide to treat a child as being in continuous education or training, despite a break, up to the age of 23.</p> <p>The above situation is likely to occur where the child takes a gap year either working or travelling.</p> <p>The Administering Authority may also decide to suspend payment of the child's pension during such a break.</p>	44(4)&(5)	See 31.	
<p><b>40. NON-MANDATORY</b></p> <p>The Administering Authority may decide how to apportion the payment of children's pensions amongst eligible children (children of post 31.3.98 / Pre 1.4.12 leavers).</p>	47(1)	Where there is more than 1 eligible child the Council will apportion the maximum payment equally between all eligible children. Apportionment will be reviewed when a child becomes non-eligible.	

## Full Discretionary policy

<p><b>41. NON-MANDATORY</b></p> <p>The Administering Authority may decide whether to pay the whole or part of a child's pension to another person for the benefit of that child.</p>	47(2)	See 28.	
<p><b>42. NON-MANDATORY</b></p> <p>The Administering Authority may decide whether or not to commute the small pension of a member or pension credit member to discharge future liabilities (known as trivial commutation) within the meaning of both the Scheme regulations and Tynwald legislation.</p>	49 & 156	See 33.	
<p><b>43. NON-MANDATORY</b></p> <p>The Administering Authority may upon a member's or pension credit member's payment of benefits on health grounds, commute benefits due to exceptional ill- health (Pre 1.4.12. leavers and Pre 1.4.12. Pension Credit members).</p>	50 and 157	Where an independent registered medical practitioner (approved by the Council) certifies that the member's (or pension credit member's) life expectancy is less than 1 year from the date the pension first becomes payable, the Council will offer the member the option to commute those pension benefits into a single payment under the rules of the scheme.	Administration costs only.

**Full Discretionary policy**

<p><b>44. NON-MANDATORY</b></p> <p>The Administering Authority may require any strain on Fund costs to be paid "up front" by the former employing authority following early payment of a deferred benefit on health grounds or from age 50 with employer consent.</p>	<p>80(5)</p>	<p>Payments (excluding retirement on health grounds where the former employer retains active contributing members of the fund) are to be made by way of a lump sum calculated in accordance with fund actuary's guidance payable at the point of retirement. An invoice will be issued for the lump sum shortly after the date of retirement and the invoice should be paid within one month of the date that it was issued (30 days). Interest will be charged after this date.</p> <p>Payments associated with retirement on health grounds are taken into account in the triennial valuation.</p>	<p>Administration costs only to be borne by the Pension Fund.</p>
<p><b>45. NON-MANDATORY</b></p> <p>The Administering Authority may recover outstanding employee contributions as a simple debt or by deduction from benefits.</p>	<p>89(3)</p>	<p>See 16.</p>	
<p><b>46. MANDATORY</b></p> <p>The Administering Authority must approve medical advisors used by former employers (re pre 1.4.12. preserved benefits payable on health grounds) where the former employer is not the Administering Authority.</p>	<p>97(10)</p>	<p>See 19.</p>	<p>Administration costs only.</p>
<p><b>47. NON-MANDATORY</b></p> <p>The Administering Authority must determine the procedure it will follow when exercising its stage two IDRPs and decide the manner in which those functions are to be exercised.</p>	<p>99</p>	<p>See 20.</p>	

## Full Discretionary policy

<p><b>48. NON-MANDATORY</b></p> <p>The Administering Authority may appeal to the Department of Infrastructure against an employer's decision (or lack of a decision) for a determination.</p> <p>This regulation only applies where the employing authority is not the Administering Authority and any such appeal must be made within the specified timescales.</p>	105(1)	See 21.	
<p><b>49. NON-MANDATORY</b></p> <p>The Administering Authority may determine that the relevant date used to calculate benefits as shown on annual benefit statement may be later than the 31<sup>st</sup> March.</p>	106A(5)	See 24.	
<p><b>50. MANDATORY</b></p> <p>The Administering Authority must set out a policy on abatement of pensions following re-employment.</p>	109* & 110(4)(b)	See 25	Administration costs only.
<p><b>51. NON-MANDATORY</b></p> <p>Where a member transfers their benefits to a contracted in pension scheme, the Administering Authority may retain the contributions equivalent premium (CEP) or an amount equivalent sufficient to meet the liability in respect of the contracted out rights (guaranteed minimum pension – GMP).</p>	118	The Council will retain their liability in accordance with guidance issued by the Scheme Actuary.	Administration costs only.
<p><b>52. NON-MANDATORY</b></p> <p>The Administering Authority may discharge their liability in respect of a pension credit in accordance with the Tynwald legislation.</p>	147	See 36.	

## Full Discretionary policy

### Discretions under the Local Government Superannuation Scheme 2012, which in turn is with reference to regulations in England and Wales re the Local Government Pension Scheme (Transitional Provisions) Regulations 1997 (as amended)

Description	Regulation number	Policy	Costs
<p><b>53. NON-MANDATORY</b></p> <p>A member who received a refund of contributions relating to membership after 31<sup>st</sup> March 1974 and before 1<sup>st</sup> January 1980 may elect to repay the refund plus interest and count the pensionable service with their current benefits providing they elect within 6 months of re-joining the LGSS. The Administering Authority may extend the time limit beyond 6 months from re-joining the scheme.</p>	17(3)	The Council will not extend this time limit.	No costs.
<p><b>54. NON-MANDATORY</b></p> <p>The Administering Authority may suspend payment of a spouse's pension where the spouse remarries or co-habits. This applies where the member died before 1<sup>st</sup> April 1998.</p>	Para 21 of Sch 3	The Council will not suspend payment of spouse's pensions where the spouse remarries or co-habits. By adopting this discretion the Council brings the payment of those pensions consistently in line with pensions of this nature paid to the dependents of members who died after 31 <sup>st</sup> March 1998.	Costs recharged through employer contributions rate.

## Full Discretionary policy

### Discretions under the Local Government Superannuation Scheme 2012 with reference to regulations in England and Wales re the Local Government Pension Scheme Regulations 1995 (as amended) in relation to pre 1.4.98 scheme leavers

Description	Regulation number	Policy	Costs
<p><b>55. NON-MANDATORY</b></p> <p>The Administering Authority may pay a death grant to any of the member's surviving spouse, nominee(s) or personal representative(s).</p>	E8	See 18.	
<p><b>56. NON-MANDATORY</b></p> <p>The Administering Authority may decide to treat a child as being in continuous education or training, despite a break up to the age of 23.</p> <p>The above situation is likely to occur where the child takes a gap year either working or travelling.</p> <p>The Administering Authority may also decide to suspend payment of the child's pension during such a break.</p>	G1	See 31.	
<p><b>57. NON-MANDATORY</b></p> <p>The Administering Authority may decide how to apportion the payment of children's pensions amongst eligible children (children of pre 1.4.98 leavers)</p>	G11(1)	See 39.	
<p><b>58. NON-MANDATORY</b></p> <p>The Administering Authority may decide whether to pay the whole or part of a child's pension to another person for the benefit of that child (children of pre 1.4.98 leavers).</p>	G11(2)	See 28.	

**Criteria used to define the beneficiary of a death grant.**

**It must be evidenced that a thorough investigation has been undertaken to establish all possible beneficiaries; a comprehensive data gathering exercise must be undertaken by Capita on notification of the members' death as follows:-**

- Where the death notification is taken via telephone, as much information should be obtained from the informant as possible, including contact details of all relevant parties, a detailed file note must be taken and recorded on the member record.
- A full review of the member's record is undertaken to gather any relevant information in determining the beneficiaries, including reference to the member's marital status and confirmation if an Expression of Wish form is held on record.
- Obtain original death certificate for details of next of kin.
- Request ordinal Will / Grant of Probate or Letters of Administration.
- Request notification of the Solicitors dealing with the Estate.
- The Data Gathering form should be issued to ensure that Capita has taken all reasonable steps to gather all relevant information prior to making a decision.
- Issue correspondence as relevant to attain answers in relation to any queries that have been identified from the data gathering form

**Once the data gathering process is complete, all of the data must be reviewed via five stages:-**

- Stage 1 – Administrator reviews case file.
- Stage 2 – Identify the legal beneficiary via either the completed Expression of Wish form or, the Intestacy Laws as follows and confirm proposed action:

## APPENDIX 1

- (1) Widow / Widower
- (2) Children
- (3) Grandchildren
- (4) Deceased's parents
- (5) Brothers/Sisters
- (6) Nephews / Nieces
- (7) Grandparents
- (8) Uncles / Aunts
- (9) Cousins
- (10) Grant of Probate / Letters of Administration

- Stage 3 – Senior Pensions Administrator reviews case file and confirms proposed action; where disagreement occurs detailed reasons for each view should be stipulated;
- Stage 4 – Final review by Manager – this will be a more independent review as the Manager is unlikely to have been dealing with the case on a daily basis, as such this stage 3 review should be more impartial and based purely on the facts and data presented.
- Stage 5 – Manager approves payment or refers back to the team

**Recommendation 4.3.1.4: Death Grants - The Process**

