



## **Discretions policy**

Some key points for all employers:

- Employers must formulate, publish, and keep under review a policy in relation to the exercise of discretions under the Local Government Pension Scheme.
- A copy of your policy must be sent to East Sussex Pension Fund within three months if you are a new employer joining the Fund.
- If your discretions policy is changed a copy should be sent to East Sussex Pension Fund within one month of the new changes taking effect.
- The application of individual discretions can apply to individual posts, to specific groups, be universal or decided on a 'case by case basis', but you must state this in your policy.
- In formulating and reviewing its policy, an employer should consider the extent to
  which the exercise of its discretionary powers could lead to a serious loss of
  confidence in the public service. The employer must also consider legislation outside
  of the scheme rules and make sure that its policies do not infringe anti-discrimination
  laws.
- Any costs which occur as the result of an employer exercising a discretion can be recharged to the employer at the time they occurred or alternatively reflected in their future employer contribution rate at the next Fund valuation.



## **Template – mandatory discretions**

East Sussex Pension Fund have an example discretions template which details the mandatory discretions that employers are required to have a policy on.



Discretions under the Local Government Per

Send your completed discretions policy to <a href="mailto:employer.engagement@eastsussex.gov.uk">employer.engagement@eastsussex.gov.uk</a>.

There are many other areas in which an employer can exercise their discretion for which a policy is optional e.g., extension of the one-year time limit to allow a transfer in, extension of the 30-day limit to elect for a Shared Cost Additional Pension Contribution in respect of unpaid leave etc. It can be beneficial to hold a policy in these areas to allow for an equal and consistent decision-making process. This would also provide evidence to support any decisions that are challenged.

The following LGPS document sets out the mandatory discretions that apply under the legislation.

## STATEMENT OF POLICY (Igpslibrary.org)

The following document lists all discretions – both mandatory and non-mandatory.

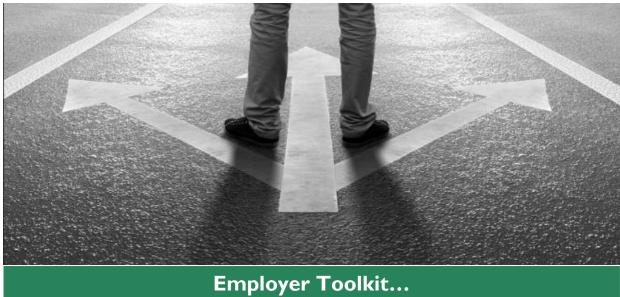
Full list of discretionary policies (lgpslibrary.org)

## **Further support**

Email: <a href="mailto:employer.engagement@eastsussex.gov.uk">employer.engagement@eastsussex.gov.uk</a>

This factsheet is one of a series put together by East Sussex Pension Fund to help support employers with processing key tasks.





Pointing you in the right direction

You can view the full employer toolkit at:

 $\underline{https://www.eastsussexpensionfund.org/about-the-scheme/employers/employer-toolkit/}$