

Essex Pension Fund Board	EPB/16/14
Date: 9 July 2014	

Administering Authority Discretions

Report by the Head of the Essex Pension Fund

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1. Purpose of the Report

- 1.1 To bring to the attention of the Board the need to review the Fund's Statement of Policy on Discretions in relation to the Local Government Pension Scheme in light of the new scheme regulations now being in place
- 1.2 To ask the Board to note the ongoing work being undertaken by officers.

2. Recommendations

- 2.1 That the Board note the ongoing work being undertaken by officers.
- 2.2 That the Board note a draft revised Statement of Policy will be brought to the Board for approval at its next meeting.

3. Background

- 3.1 The Pension Fund Board of Essex County Council, as the administering authority of the Essex Pension Fund, is required to make decisions on certain areas of flexibility (referred to as 'discretions') included within the Local Government Pension Scheme Regulations 2013 and related legislation.
- 3.2 A statement of policy was approved by the Board at its 15 December 2010 meeting and this statement of policy should be reviewed due to the new scheme regulations now being in place.
- 3.2 Many of the discretions relate to relatively straightforward areas of Administration, such as the frequency of contribution payments to the Fund by employers. However there are some more significant areas such as the process for determining who should receive payment of a death grant.
- 3.4 There is a statutory requirement to publish a written statement of policy in respect of certain of the discretions and it is best practice to include all relevant discretions in that written statement.
- 3.5 Any decision relating to the 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 the policy and the governing regulations, the governing regulations will prevail.
- 3.6 The policy decisions apply to all categories of schemes members (e.g. active, deferred, pensioners, pension credit members and dependents) from its effective date until such point as the policy is reviewed.

4. Review of Policy Statement

- 4.1 The introduction of the new scheme regulations effective from 1 April 2014 means that the policy should now be reviewed to take account of any changes.
- 4.2 Work by officers is ongoing and a draft revised Statement of Policy will be brought to the Board for approval at its next meeting.
- 4.2 Individual discretions will be reviewed on a regular basis by officers and any material changes thought necessary will be brought to the Board for approval.
- 4.3 In any event, it is considered best practice to fully review the policy statement at least every

three years.

5. Link to Essex Pension Fund Objectives

5.1 Approval of this Administering Authority Statement of Policy on Discretions is consistent with the following objectives:

- Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based
- Deliver a high quality, friendly and informative service to all beneficiaries, potential beneficiaries and employers at the point of need
- Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount

6. Risk Implications

6.1 The approval of this Statement will minimise the risk of inappropriate decisions being made or decisions being made without the relevant approval, which in turn will minimise the risk of any challenge by a stakeholder.

7. Communication Implications

7.1 Once approved, the Statement will be made available on the Essex Pension Fund website and it will be brought to the attention of Fund employers. No further communication will be necessary.

8. Finance and Resources Implications

8.1 There are not expected to be any further finance or resource implications as a result of this Statement being approved.

9. Background Papers

9.1 None