

YARNTON PARISH COUNCIL

This policy was adopted on 21/1/26 (Minute reference 206/2025-6.8.7) and will be reviewed every three years or sooner should changes in LGPS regulations or administrative practice dictate.

PENSIONS AND DISCRETIONS POLICY

1. Purpose

This policy sets out Yarnton Parish Council's approach to pensions for its employees, formalising participation in the **Local Government Pension Scheme (LGPS)** administered by **Oxfordshire County Council** and ensuring compliance with statutory duties including **automatic enrolment**.

It supports good employment practice, financial planning and transparency, and should be read in conjunction with the Council's Employment, Pay, and Financial Regulations.

2. Scheme Overview

The **LGPS** is a statutory, **defined benefit pension scheme** for local government employers and eligible employees. Participation provides employees with:

- **Pension benefits on retirement** that build up each year,
 - **Death-in-service benefits,**
 - **Ill-health retirement benefits,**
- and other member options such as transferring benefits from previous schemes.

Oxfordshire County Council is the **administering authority** responsible for maintaining and paying benefits under the Oxfordshire Pension Fund on behalf of LGPS members.

3. Automatic Enrolment and Eligibility

3.1 Automatic Enrolment

In line with government requirements and Oxfordshire Pension Fund procedures:

- All **eligible workers** will be **automatically enrolled into the LGPS** when they start employment.

- 'Eligible workers' are defined by **age and earnings criteria** under the Pensions Act 2008 and LGPS regulations.

3.2 Employee Categories

Under Oxfordshire Fund guidance the Council will:

- Enrol **eligible jobholders** (e.g., aged 22 to State Pension Age and earning above the qualifying threshold),
- Identify and assess **non-eligible jobholders** and **entitled workers** for their rights to opt in or join the scheme.

3.3 Opt-In and Opt-Out

Employees may:

- **Opt in** to the LGPS if not automatically enrolled,
- **Opt out** by completing the relevant LGPS opt-out form.
Automatic re-enrolment will occur under statutory requirements approximately every three years unless exceptions apply.

4. Contributions

4.1 Employee Contributions

Members pay contributions based on pensionable pay, and these are deducted via payroll. Contribution rates are set by LGPS regulations and generally range between 5.5% and 12.5% of pay.

4.2 Employer Contributions

The Council will pay employer contributions as determined by the **Oxfordshire Pension Fund actuarial valuation**. These are reviewed typically every three years and form part of the Council's annual budget.

All contributions (employee and employer) must be paid to the Oxfordshire Pension Fund usually **within 19 days of the month end**.

5. Employer Responsibilities

The Council, as an LGPS employer, shall:

- Enrol eligible employees into the LGPS and manage opt-in/opt-out processes,
- **Assess and notify contribution rates** to employees,
- **Deduct and pay all contributions** on time,
- **Notify the Pension Fund** of starters, leavers, retirements, and other changes,
- Provide accurate data to the Fund in the required format (e.g., i-Connect submissions),
- Maintain records and comply with LGPS and automatic enrolment legislation.

These obligations align with the Oxfordshire Pension Fund’s employer guide and templates.

6. Communication

The Council will ensure that:

- All applicants and employees are informed about their pension rights on commencement of employment,
- Employees receive LGPS paperwork and contact details for Oxfordshire Pension Fund services,
- Employees are provided with access to their LGPS information and benefit statements (e.g., via **My Oxfordshire Pension**).

7. Discretions Policy

The Council shall maintain and review any **discretionary LGPS policies** required by the Regulations, including:

- awards of enhanced benefits,
- decisions relating to early payment of benefits,
- exit and redundancy policy effects on pension benefits.

A copy of any Discretions Policy (see 8. below) will be provided to the Fund as required.

8. LGPS Discretions Policy for LGPS 2014 Scheme, Pension Fund

Discretion and Regulation	Policy on Individual Discretions
I. Reg 31: Whether to grant additional	Yarnton Parish Council will only exercise this

<p>pension to a member (up to £6500pa).</p>	<p>discretion in exceptional circumstances. This discretion will only be exercised with the express permission of the Staffing Committee after consideration of the costs that would apply.</p>
<p>2. Reg 16(2)e and Reg 16(4)d: Whether to make either a regular or lump sum Additional Pension Contribution (APC) to a member's account (part or whole funding this). (Note: this discretion only relates to cases when the member is working as normal rather than absent from work with permission but no pensionable pay – in the latter scenario, employers must fund it if necessary.)</p>	<p>Yarnton Parish Council will only exercise this discretion in exceptional circumstances. This discretion will only be exercised with the express permission of the Staffing Committee after consideration of the costs that would apply.</p>
<p>3. Reg 30(6) Whether all or some pension benefits can be paid if a member aged 55 or over reduces their hours/grade and continues to work ('flexible retirement').</p>	<p>Yarnton Parish Council will consider employee requests to take flexible retirement on a case by case basis after taking into account factors such as service delivery. The Staffing Committee will be responsible for agreeing (or otherwise) to all requests to take flexible retirement.</p>
<p>4. Reg 30(8) Waiving actuarial reduction on flexible retirement.</p>	<p>Yarnton Parish Council will only waive the actuarial reduction on flexible retirement in exceptional circumstances following approval from the Staffing Committee.</p>
<p>5. Reg 30(8) Waiving actuarial reduction on early retirement (age 55+) for both active and deferred members.</p>	<p>Yarnton Parish Council will only waive the actuarial reduction on early retirement in exceptional circumstances and as the result of the express permission of the Staffing Committee after considering the costs that would apply.</p>
<p>6. Regs 22(8 and 9) Whether to extend 12-month period to separate previous LG service.</p>	<p>Yarnton Parish Council will allow an option to combine previous LG service.</p>
<p>7. Reg 9(3) Determine rate of employees' contributions.</p>	<p>Yarnton Parish Council will review all employees' contribution bands when there has been contractual change to a member's salary or hours at some point during the year. A</p>

	member's contribution rate will not be reviewed as the result of one-off additional payments (such as honoraria).
8. Reg 100(6) Whether to extend 12-month period to allow a transfer-in of non-LG pension rights.	Yarnton Parish Council will allow an option to combine previous non-LG service.

Note: These regulations are from the Local Government Pension Scheme Regulations 2013, in force from 1st April 2014.