

7. Employer Discretions Policy

7.1. Introduction

Following updates to the Regulations in April 2008, the mandatory requirements for the contents of all Discretions policies changed, therefore any document made before this time is likely to be out of date. **We need, under law, a copy of all employers' discretions in the form of an approved policy, regardless of the size of employer and the number of members they have.**

Some key points for all employers:

- This is a mandatory document which needs to be “published”. It needs to be available to employees (a locally available committee paper is sufficient). A copy must be sent to the Fund, and re-sent when any changes take place, within a month of them becoming active.
- There are currently only six discretions which must be included in the policy by law, although there are numerous which are discretionary. Hence we have produced a template for both types.
- The application of individual discretions can apply to individual posts, to particular groups, be universal or decided on a 'case by case basis', but you must state this in your policy.
- The costs created by an employer exercising a discretion are funded by that employer, either by the means of a payment at the time of occurrence (e.g. redundancy retirement), or by the cost falling on the employer's sub-fund with the Wiltshire Pension Fund.
- If you intend to award added years based on a scale/band, you must state what this is in your policy.
- Please send your completed policy to andrew.cunningham@wiltshire.gov.uk.

To help you further, a copy of the relevant regulations can be found on the following page. Furthermore, a blank template, explanations of terms used, an example template and examples of typical costs can all be found in the Employers' Guide.

If you need further assistance with this, please contact Andy Cunningham on 01225 713612 or andrew.cunningham@wiltshire.gov.uk.

7.2. The Regulations

The full regulations can be found at:

http://www.opsi.gov.uk/si/si2008/uksi_20080239_en_6#pt7-l1g66.

The relevant regulation is stated below:

‘Statements of policy about exercise of discretionary functions

66.—(1) Each employing authority must prepare a written statement of its policy in relation to the exercise of its functions under regulations 12 (power of employing authority to increase total membership of active members), 13 (power of employing authority to award additional pension), 18 (flexible retirement) and 30 (choice of early payment of pension) of the Benefits Regulations.

(2) Before the expiry of the period of three months beginning with the commencement date, each employing authority must send a copy of its statement to each relevant administering authority and must publish its statement.

(3) An employing authority must—

(a) keep its statement under review; and

(b) make such revisions as are appropriate following a change in its policy.

(4) Before the expiry of the period of one month beginning with the date any such revisions are made, each employing authority must send a copy of its revised statement to each relevant administering authority and must publish its statement as revised.

(5) In preparing, or reviewing and making revisions to, its statement, an employing authority must have regard to the extent to which the exercise of any of the functions mentioned in paragraph (1) in accordance with its policy could lead to a serious loss of confidence in the public service.

(6) In this regulation, a relevant administering authority, in relation to an employing authority, is any authority which is an appropriate administering authority for that employer’s employees.’