BARGOED TOWN COUNCIL

Greater Gwent (Torfaen) Pension Fund of the LGPS (Local Government Pension Scheme)

Employer Policy Statement

The Local Government Pension Scheme for England & Wales is a statutory pension scheme.

Under Local Government Pension Scheme Regulations, Employers are required to formulate, publish and periodically review a policy statement in relation to the exercise of a number of discretionary policies under the LGPS. This document, therefore, constitutes the Policy Statement of **Bargoed Town Council (the "Employer").**

When exercising an employer discretion, this Policy shall require that any such decision be minuted at a Full Council or suitably delegated Committee meeting and duly signed by the Chair of the Council.

Document Date: 1st September 2026

Policy adopted by : Resolution at Bargoed Town Council Policy & Resources Committee Meeting 16th September 2026

Next Review Date: August 2027

Mandatory Discretions			
	Scheme Employer Discretions	**Regulation**	**Policy Statement**
1.	Whether, how much, and in what circumstances to contribute to a shared cost APC (additional pension contribution) scheme. (SCAPC) *{The regulation allows an active member who is paying into the main pension scheme to enter into an arrangement to pay additional contributions, either by regular contributions [Reg 16(2)(e)] or by a lump sum payment [Reg 16(4)(d)]. This may be funded in whole or in part by the Employer.}*	16(2)(e) & 16(4)(d) – SI 2013 No.2356	Bargoed Town Council does not consider contribution toward additional pension contributions to be an essential part of its employment strategy. We will not normally fund additional contributions either wholly or in part, but may do so in wholly exceptional circumstances having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to: • Whether Bargoed Town Council considers it is in its financial or operational interest to do so • A robust business case • Compelling compassionate grounds based upon the members personal circumstances Where the Council allows an LGPS member to take a period of authorised unpaid absence, the member can apply to buy back the 'lost' pension by paying APCs or any absence of 15 days or more, prior to that it is compulsory to pay contributions. If the member applies within 12 months of returning to work they will pay 1/3rd of the cost of the APCs and the Council will pay 2/3rds If an LGPS member elects to pay APCs to buy back 'lost' pension more than 12 months after returning to work from a period of authorised unpaid absence then they will have to pay the whole cost of the APCs. The Council will only consider extending the 12 months period, within which an LGPS member can elect to pay APCs to buy back 'lost' pension at 1/3rd of the full cost, if the LGPS member was not told of this option within 12 months on returning to work from a period of authorised unpaid absence.

2.	Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement). *{This regulation allows the Employer to consent for a member who has attained the age of 55 to draw all or part of their retirement benefits (both pension and lump sum) whilst continuing in employment and Fund membership provided that:* • *there has been a reduction in hours, or* • *A reduction in grade.* *Employers can choose to waive any reductions that apply under Regulation 30(8).}*	30(6) – SI 2013 No. 2356 & 11(2) – SI 2014 No. 525	Bargoed Town Council will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to: • Whether Bargoed Town Council considers it is in its financial or operational interest to do so • Any additional cost to the Council (of permitting early payment of LGPS benefits) may be offset by the potential savings from the reduction in hours and/or grade. • A robust business case • Compelling compassionate grounds based upon the members personal circumstances
3.	Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement. *{The Employer may waive the actuarial reductions applied to a members benefits on flexible retirement}*	30(8) – SI 2013 No. 2356	Bargoed Town Council will consider applications made under this Regulation but reserves the right to consider any application having regard to exceptional circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to: • Whether Bargoed Town Council considers it is in its financial or operational interest to do so • Any additional cost to the Council (of waiving any actuarial reduction for early payment of the member's LGPS benefits) may be supported by a robust business case • Compelling compassionate grounds based upon the members personal circumstances

4.	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age. *{The Employer may waive the actuarial reductions applied to a members benefits on voluntary early retirement}*	30(8) – SI 2013 No. 2356	Bargoed Town Council will consider applications made under this Regulation but reserves the right to consider any application having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to: • Whether the Council considers it is in its financial or operational interest to do so • Any additional cost to the Council (of waiving any actuarial reduction for early payment of the member's LGPS benefits) may be supported by a robust business case • Compelling compassionate grounds based upon the members personal circumstances
5.	Whether to 'switch on' the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60. *{The Employer can decide to 'switch on' the 85 Year Rule to allow members to receive benefits either unreduced or with a smaller reduction to their 85 Year Rule date. The Employer is responsible for meeting any strain costs relating to benefits being paid before age 60. If the Employer does not 'switch on' the 85 Year Rule the members benefits will be reduced to age 60 or the date they meet the 85 Year Rule, if later.}*	Schedule 2 para 2(2) – SI 2014 No. 525 TPSch 2, para 1(2) & 1(1)(f) & R60	Bargoed Town Council will not consider applications made under this Regulation as it has no qualifying members. This discretion will be reviewed accordingly should the position change.
6.	Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits from pre 1st April 2014 membership where the employer has 'switched on' the 85 Year Rule for a member voluntarily drawing benefits on or before age 55 and before age 60.	Schedule 2 para 2(3) – SI 2014 No. 525 B30(5), TPSch 2, para 2(1) B30A(5), TPSch 2, para 2(1)	Bargoed Town Council will not consider applications made under this Regulation as it has no qualifying members. This discretion will be reviewed accordingly should the position change.

	{The Employer can decide to waive the actuarial reduction where the 85 Year Rule has been 'switched on' on compassionate grounds.}		
7.	Whether to grant application for early payment of deferred benefits on or after age 50 and before age 55. *[A member with a deferred benefit who left the scheme between 1 April 1998 – 31 March 2008 can claim their benefits from age 50 with their employer's consent. However, these benefits may be reduced for early payment and/or be subject to an unauthorised payment charge under the Finance Act 2004.]*	31 (2) – SI1997/1612	Bargoed Town Council will not consent to the early payment of deferred benefits to individuals between ages 50 and 55, unless there is no cost to the Council.
8.	Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early. *Councillors should note that the strain cost of any such retirements would need to be met by the employer and paid into the Pension Fund at the appropriate time.*	31(5) & TPSch2, para 2(1)	Bargoed Town Council will not waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early.
9.	Whether to grant application for early payment of deferred benefits on or after age 50 on compassionate grounds. Although the common provisions of the 1997 Transitional provisions regulations do not specify regulation D11(2)(C), there intention was that it should apply to this regulation.	TP3(5A)(vi), TL4, L106(1) & D11(2)(c)	Bargoed Town Council will consider such applications on the merits of each case having particular regard to: • Whether the Council considers it is in its financial or operational interest to do so. • Compelling compassionate grounds based upon the members personal circumstances
10.	Whether to grant additional pension to an active member, or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency, (by up to £6,500 per annum*) *{Allows the Employer to grant additional pension*	31 – SI 2013 No. 2356 (* 1/4/2014 figure increases each year by CPI)	Bargoed Town Council will not ordinarily exercise its discretion under this Regulation but reserves the right to consider any application having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to:

	*up to the maximum allowed by the scheme rules provided that the member is active **or** is within 6 months of leaving **for reasons of** redundancy **or** business efficiency **or** whose employment was terminated by mutual consent on grounds of business efficiency}* *26/27 it is £9054*		• Whether the Council considers it is in its financial or operational interest to do so • the additional cost to the Council (of granting an additional pension to a LGPS member) may be supported by a robust business case • Compelling compassionate grounds based upon the members personal circumstances
11.	Whether to base redundancy payments on an actual week's pay where this exceeds the statutory week's pay limit. *2026 it is £750 per week*	5 – SI 2006/2914	Bargoed Town Council has determined that redundancy payments will be calculated in accordance with the statutory provisions and will be based on a week's pay subject to the statutory maximum in force at the time of dismissal.
12.	Whether to award lump sum compensation of up to 104 weeks pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.	5 - SI 2006/2914	Bargoed Town Council will not ordinarily exercise its discretion under this Regulation but reserves the right to consider any application having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case.
13.	How to apportion any surviving spouses or civil partner's annual compensatory added years' payment where the deceased person is survived by more than one spouse or civil partner.	21(4) – SI 2000/1410	Bargoed Town Council will apportion any added compensatory added years' payment between surviving spouses and/or civil partners in the same proportions as the LGPS survivor pensions payable by the administering authority. Any dispute or exceptional case will be determined by the Town Council having regard to: • the period of marriage or civil partnership; • the survivor pension entitlement awarded to each beneficiary; • any relevant court order or legal agreement; and • any other factors considered relevant to achieving equitable treatment.
14.	How it will decide to whom any children's annual compensatory added years payments are to be paid where children's pensions are	25(2) – SI 2000/1410	Bargoed Town Council has determined that where more than one eligible child exists, the annual compensatory added years payment shall be divided equally between all

	not payable under the LGPS (because the employee had not joined the LGPS) and, in such a case, how the annual added years will be apportioned amongst the eligible children.		eligible children. Payments shall be made to the child's parent, guardian, or person with legal responsibility where the child is under age 18, unless otherwise required by law. If the number of eligible children changes, the payment shall be re-apportioned equally amongst the remaining eligible children.
15.	Whether, in respect of the spouse of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal pension suspension rules should be disapplied ie. whether the spouse's or civil partner's annual compensatory added years payments should continue to be paid.	21(7) – SI 2000/1410	Bargoed Town Council will disapply the suspension provisions and will continue to pay the spouse's or civil partner's annual compensatory added years payment irrespective of remarriage, entry into a civil partnership, or cohabitation.
16.	If, under the preceding decision, the authority's policy is to apply the normal suspension rules, whether the spouse's or civil partner's annual compensatory added years payment should be reinstated after the end of the remarriage, new civil partnership or cohabitation.	21(5) – SI 2000/1410	Bargoed Town Council will disapply the suspension provisions in the preceding decision therefore there is no case for reinstatement.
17.	Whether, in respect of the spouse or civil partner of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries or cohabits or enters into a civil partnership on or after 1 April 1998 with another person who is also entitled to a spouse's or civil partners annual CAY payment, the normal rule requiring one of them to forego payment whilst the period of marriage, civil partnership or co-habitation	21(7) – SI 2000/1410	Bargoed Town Council will disapply the suspension provisions and permit both annual compensatory added years payments to continue in full.

	lasts, should be disapplied ie. whether the spouses' or civil partners' annual CAY payments should continue to be paid to both of them.		
18.	To what extent to reduce or suspend the member's annual compensatory added year's payment during any period of re-employment in local government.	17 – SI 2000/1410	Bargoed Town Council will reduce the annual compensatory added years payment by the amount by which the aggregate of: • the annual compensatory added years payment; and • the pay received from the re-employment exceeds the inflation-adjusted pay used to calculate the original compensation. Where the excess equals or exceeds the annual compensatory added years payment, the payment will be suspended in full.
19.	How to reduce the member's annual compensatory added year's payment following the cessation of a period of re-employment in local government.	19 – SI 2000/1410	Bargoed Town Council has determined that upon cessation of local government re-employment, the annual compensatory added years payment will be restored to the level that would have been payable had the period of re-employment not occurred, including any pensions increase adjustments applied during that period.
20.	Whether to grant an injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.	3(1) - SI2011/2954	Bargoed Town Council has determined not to award Injury Allowances.
21.	To determine the amount of injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.	3(4) and 8 – SI2011/2954	Bargoed Town Council has determined not to award Injury Allowances.
22.	Determine whether person continues to be entitled to an injury allowance awarded under regulation 3(1) (reduction in remuneration as	3(2) - SI2011/2954	Bargoed Town Council has determined not to award Injury Allowances.

	a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job).		
23.	Whether to grant an injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.	4(1) - SI2011/2954	Bargoed Town Council has determined not to award Injury Allowances.
24.	Amount of injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.	4(3) and 8 - SI2011/2954	Bargoed Town Council has determined not to award Injury Allowances.
25.	Determine whether person continues to be entitled to an injury allowance awarded under regulation 4(1) (loss of employment through permanent incapacity).	4(2) - SI2011/2954	Bargoed Town Council has determined not to award Injury Allowances.
26.	Whether to suspend or discontinue injury allowance awarded under regulation 4(1) (loss of employment through permanent incapacity) if person secures paid employment for not less than 30 hours per week for a period of not less than 12 months.	4(5) - SI2011/2954	Bargoed Town Council has determined not to award Injury Allowances.
27.	Whether to grant an injury allowance following cessation of employment with entitlement to immediate LGPS pension where a regulation 3 payment (reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job) was being made at date of cessation of employment but regulation 4 (loss of employment through permanent incapacity) does not apply.	6(1) - SI2011/2954	Bargoed Town Council has determined not to award Injury Allowances.
28.	To determine amount of any injury allowance to be paid under regulation 6(1) (payment of	6(1) - SI2011/2954	Bargoed Town Council has determined not to award Injury Allowances.

	injury allowance following the cessation of employment).		
29	To determine whether and when to cease payment of an injury allowance payable under regulation 6(1) (payment of injury allowance following the cessation of employment).	6(2) - SI2011/2954	Bargoed Town Council has determined not to award Injury Allowances.
30.	To determine whether to grant an injury allowance to the spouse, civil partner, co habiting partner (the requirement to nominate a co-habiting partner has ceased entirely under these regulations due to the outcome of the Elmes v Essex high court judgement) or dependent of an employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.	7(1) - SI2011/2954	Bargoed Town Council has determined not to award Injury Allowances.
31.	To determine amount of any injury allowance to be paid to the spouse, civil partner, nominated co-habiting partner (for awards made on or after 1 April 2008 the requirement to nominate a co-habiting partner has ceased due to the outcome of the Elmes v Essex high court judgement) or dependent of an employee under regulation 7(1) (employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job).	7(2)and 8 - SI2011/2954	Bargoed Town Council has determined not to award Injury Allowances.
32.	To determine whether and when to cease payment of an injury allowance payable under regulation 7(1) (employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job).	7(3) - SI2011/2954	Bargoed Town Council has determined not to award Injury Allowances.

NON-MANDATORY DISCRETIONS			
33.	Determine Rates of Employees Contribution	R9(1) & R9(3) - SI 2013/2356	Bargoed Town Council will implement the contribution bands as advised by the administering authority. These will be allocated to each employee on joining the scheme and at each subsequent April. Contribution bands will be reviewed in the course of a scheme year taking into account any changes, for example, pay awards, increments, promotions.
34.	Whether, how much, and in what circumstances to contribute to shared cost AVC arrangements.	R17(1) – SI2013/2356 & definition of SCAVC in Sch1	Bargoed Town Council has determined it will not fund Shared Costs AVCs due to the increased costs associated.
35.	In determining Assumed Pensionable Pay (APP), whether a lump sum payment made in the previous 12 months is a “regular lump sum”.	R21(5) – SI2013/2356	In determining Assumed Pensionable Pay (APP), Bargoed Town Council will consider whether any lump sum payment received during the relevant period constitutes a “regular lump sum payment” in accordance with the LGPS Regulations. A lump sum payment will normally only be included where there is clear evidence that there was a reasonable expectation that the payment would be made on a regular and recurring basis. Bargoed Town Council will consider each case on its individual merits, having regard to the circumstances of the payment and any relevant guidance in force at the time.
36.	Whether to extend the normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.	R100(6) – SI 2013/2356	Bargoed Town Council has determined not to permit late transfer requests, with no exceptions, due to the potential financial and administrative implications.
37.	Whether to extend the 12 month option period for a members to elect that post 31 March 2014 deferred benefits should not be aggregated with an ongoing concurrent employment.	R22(7)(b) – SI2013/2356	Bargoed Town Council will not extend the 12 month period for a member to elect to not combine pension benefits from previous local government employment with an ongoing concurrent employment. If the election not to combine is not made within 12 months of the new active membership, then the previous LGPS

			membership will be combined with the members new LGPS membership.
38.	Whether to extend the 12 month option period for a member (who did not become a member of the 2014 Scheme by virtue of TP5(1)) to elect that pre 1 April 2014 deferred benefits should be aggregated with a new employment.	TP10(6) – SI 2014/525	Bargoed Town Council has determined it will not permit an extension to the 12 month option period, with no exceptions. If the election to combine is not made within 12 months of the new active membership, then the previous LGPS membership will not be combined with the members new LGPS membership.
39.	To determine whether person in receipt of Tier 3 ill health pension has started gainful employment. *When a Member is awarded Tier 3 ill health benefits, they must be informed in writing by the Council that:* • *The tier 3 ill health pension will be reviewed after 18 months.* • *That it will cease after 3 years.* • *That the individual MUST inform the council if they undertake any employment and that the council will then determine whether this employment constitutes gainful employment under the LGPS Regulations and if so the pension will cease.* *That the Members condition deteriorates and they can apply for the Tier 3 pension can be upgraded to Tier 2 at any time.*	R37(3) and (4) –SI 2013/2356	Bargoed Town Council will determine if the individual in receipt of Tier 3 ill health benefits has started gainful employment.
40.	Whether to recover any overpaid Tier 3 pension following commencement of gainful employment.	R37(3)–SI 2013/2356	Bargoed Town Council will recover any overpaid Tier 3 pension following commencement of gainful employment.

41.	To decide whether deferred beneficiary meets criteria of being permanently incapable of former job because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years, whichever is the sooner.	R38(3)–SI 2013/2356	Bargoed Town Council will obtain up to date medical evidence from the Member in support of their claim and will use the services of Occupational Health and IRMP in carrying out this responsibility. Through delegated authority, the Bargoed Town Council HR & Staffing Committee will make a first instance decision, based on the evidence available, as to whether the deferred beneficiary meets the criteria of being permanently incapable of their former employment because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age of for at least three years, whichever is the sooner.
42.	To decide whether a suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health.	R38(6)–SI 2013/2356	Bargoed Town Council will obtain up to date medical evidence from the Member in support of their claim and will use the services of Occupational Health and IRMP in carrying out this responsibility. Through delegated authority, the Bargoed Town Council HR & Staffing Committee will make a first instance decision, based on the evidence available, as to whether a suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before normal pension age.
43.	To decide whether deferred beneficiary meets permanent ill health and reduced likelihood of gainful employment criteria. *Members must determine whether the deferred beneficiary:* • *Is permanently incapable of discharging efficiently the duties of the former employment because of ill health or infirmity of mind or body; and* • *Has a reduced likelihood of obtaining*	B31(4) - SI 2007/1166	Bargoed Town Council will obtain up to date medical evidence from the Member in support of their claim and will use the services of Occupational Health and IRMP in carrying out this responsibility. Through delegated authority, the Bargoed Town Council HR & Staffing Committee will consider each case on its own merits.

	gainful employment before a specified age/date because of that ill health. *[In the context of the LGPS, gainful employment is defined as paid employment for at least 30 hours a week for a period of not less than 12 months]*		
44.	To decide whether a suspended ill health tier 3 member is permanently incapable of undertaking any gainful employment.	B31 (7) - SI 2007/1166	Through delegated authority, the Bargoed Town Council HR & Staffing Committee will consider each case on its own merits.

For Councillors information:

*In the **LGPS**, ill health retirement benefits are categorized into three tiers based on the likelihood of being able to work again:*

***Tier 1**: unlikely to be capable of gainful employment before your Normal Pension Age (NPA).*

***Tier 2**: unlikely to be capable of gainful employment within three years but likely before your NPA.*

***Tier 3**: likely to be capable of gainful employment within three years.*

To qualify for these benefits, LGPS members must have at least two years of qualifying service and meet specific criteria set by the employer, including being unable to undertake gainful employment.