

REPORT TO THE EXECUTIVE



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| DATE | 27th May 2008 |
| PORTFOLIO | Resources |
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Statement of Pensions Policy

PURPOSE

1. To review the Council's Statement of Pensions Policy and determine what changes should be made in the light of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 which came into effect on 1 April 2008.

RECOMMENDATION

2. That the Executive recommend to the Council that the amended Statement of Pensions Policy be approved.

REASONS FOR RECOMMENDATION

3. The Council needs to have a Pensions Policy that reflects the new Regulations.

SUMMARY OF KEY POINTS

4. The new Local Government Pension Scheme took effect from 1 April 2008 and all current members of the scheme have been transferred into it. The contribution rates have been tiered based on the salary levels rather than all members of the scheme paying 6% of salary. All employees have been notified individually of their new contribution rate.
5. The Regulations give Council's the discretion to re-determine the contribution rate where ever there is a material change in pensionable pay. It is recommended that the Council adopt this discretion.
6. The regulations amend the way that pension benefits are calculated. There is no longer an automatic payment of a lump sum for membership after 31st March 2008 but annual pension benefits are based on 1/60th rather than 1/80th.
7. Scheme members who are made redundant now have to have reached age 55 before pension benefits are paid although there is protection for current members of the scheme until 2010.

8. The process for ill-health retirement is now based on a 3-tier system depending on the likelihood of the member being able to work again in the future.
9. The Council's Statement of Pensions Policy has been amended to reflect the above changes.
10. The People & Law Unit, as part of this year's Service Plan, are developing a Flexible Retirement Policy in line with the Regulations. This will outline further options for employees nearing retirement age.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

11. There are no financial implications arising directly from this report.

POLICY IMPLICATIONS

12. This report deals with the Council's Statement of Pensions Policy.

DETAILS OF CONSULTATION

13. Management Team
Trade Unions
Head of People & Law
Executive Member for Resources
Director of Resources

BACKGROUND PAPERS

14. Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007

[Appendix 1](#)

FURTHER INFORMATION

PLEASE CONTACT:

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ALSO:

**Heather Brennan, People & Development
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