Upper Medway Internal Drainage Board

Pension Policy

This policy covers eligible LGPS employees in England and Wales and former employees where employer discretions still apply. Eligibility depends on the Board's designation arrangements, which the Clerk will retain and confirm with the administering authority. Eligible employees under 75 with contracts of at least three months are contractually enrolled; those on shorter contracts may opt in and must be assessed under the Pensions Act 2008 automatic-enrolment duties. This policy does not change designation arrangements.

The Clerk administers this policy with Finance Officer, administering-authority and external advice as needed. Delegated corrections must not alter policy, entitlements or financial commitments. Substantive changes and discretionary awards require Board approval unless expressly delegated. Conflicts must be managed; no officer may decide their own pension request.

This statement covers the Board's employer discretions under the LGPS Regulations 2013 and Transitional Regulations 2014, as amended, including S.I. 2026/226 changes effective from 1 April 2026. Saved rules apply to former members where relevant. Statutory rules prevail. The Board acts as employer, not administering authority, and will confirm applicable rules and costs before exercising discretion.

Regulation 16 – Shared Cost Additional Pension Contributions (SCAPCs)

Under regulations 16(2)(e) and 16(4)(d), it is not the Board's general policy to fund the voluntary purchase of extra annual pension through a SCAPC. Exceptional requests will nevertheless be considered on their individual merits by the Board, taking account of the decision-making principles below. This general policy does not displace mandatory employer contributions for eligible absences.

For eligible authorised unpaid absences beginning before 1 April 2026, the earlier lost-pension APC rules continue to apply. Where the member elects within 30 days of returning to work, or within a longer period allowed by the Board, the Board must meet two thirds of the cost for up to 36 months of eligible absence. This mandatory sharing does not apply to strike absence or unauthorised absence. Outside the permitted election period, the member normally meets the full APC cost, subject to any lawful discretionary employer contribution.

The Board will extend the earlier 30-day election period where administrative delay in supplying necessary information prevented a timely election. Members should request the information within one month of returning and submit the election within one month of receiving it. Other late requests will be considered individually, including the reasons for delay; these administrative expectations do not remove the Board's power to allow a longer period.

For authorised unpaid leave beginning on or after 1 April 2026, absences of less than 15 calendar days remain pensionable with compulsory member and employer contributions based on lost pensionable pay under the amended rules. For eligible absences of 15 calendar days or more, regulation 16A permits a Qualifying Additional Pension Arrangement (QAPA), using the contributions that would have been payable without the absence. An election must be made while the member remains in the same employment and within one year of returning to work, or such longer period as the Board allows. Employer contributions are mandatory for the first three years of eligible absence; the Board will consider contributions beyond that period individually rather than provide them as a general entitlement.

The Board will consider extensions of the QAPA election period on their merits, including administrative delay, whether adequate information was supplied and the member's circumstances. Payroll must distinguish these arrangements from lost-pension APCs and refer late elections and transitional cases to the administering authority. Relevant unpaid additional maternity, adoption and shared parental leave starting on or after 1 April 2026 is covered by assumed pensionable pay, so pension need not be bought back for those periods. Strike absence remains outside the QAPA arrangements.

Regulation 30(6) – Flexible Retirement

The Board will consider requests for flexible retirement where the member meets regulation 30(6), including the applicable minimum pension age and a reduction in hours or grade. Clear operational or financial advantages will normally be expected, but each request will be considered on its merits. Consent to the employment change and consent to payment of pension benefits are separate decisions. Subject to the applicable transitional rules, the Board may consent to all or part of the benefits permitted by those rules being drawn; pre-1 April 2008 benefits must be drawn where required. The administering authority must confirm the permitted benefit options, protection and any employer strain cost before approval.

It is not the Board's general policy to waive actuarial reductions on flexible retirement. The Board may exceptionally waive all or part of a reduction where legally permitted, after considering the individual circumstances and the full employer cost. Automatic statutory or transitional protections must be applied and are not discretionary concessions.

Each case will be assessed initially by the Clerk and presented to the Board for a recorded decision, subject to the conflict-of-interest safeguards above.

Regulation 30(8) – Waiving of Actuarial Reductions

It is not the Board's general policy to waive actuarial reductions on early payment of benefits. The Board will consider exceptional requests individually and may waive all or part where permitted by regulation 30(8) or the applicable saved rules. For pre-1 April 2014 leavers, including relevant suspended tier 3 ill-health cases, the administering authority must identify the governing provisions and whether waiver is limited to compassionate grounds. These discretions do not replace mandatory unreduced benefits on qualifying redundancy, business-efficiency or ill-health retirement.

Each case will be considered on its merits initially by the Clerk but will then be presented to the Board for their final consideration.

Regulation 31 – Award of Additional Pension

The Upper Medway Internal Drainage Board has the discretion to award additional pension (up to the additional pension limit defined in the regulations) to an active member or within 6 months of leaving the scheme to a scheme member who was dismissed on grounds of redundancy or business efficiency.

The Board will exercise regulation 31 only exceptionally, after considering the individual merits, the current additional pension limit, the administering authority's cost quotation and affordability. Final approval rests with the Board under its Scheme of Delegation; the Clerk advises and implements the decision but cannot jointly approve their own award.

LGPS Transitional Regulations 2014, Schedule 2, paragraphs 1(1)(c), 1(3) and 2 – Rule of 85 protections

It is not the Board's general policy to switch on the Rule of 85 for voluntary retirement from age 55 and before age 60, but exceptional requests will be considered individually, normally where there are clear financial or operational advantages. The administering authority must confirm eligibility, protected service and employer costs; the discretion cannot create protection for a member who is not eligible. Any separate discretion to waive remaining reductions, including on compassionate grounds where required by the saved rules, will be considered under the waiver policy above. Protections applying automatically, including on qualifying flexible retirement, will not be withheld.

Each case will be assessed initially by the Clerk and presented to the Board for a recorded decision, subject to the conflict-of-interest safeguards above.

Every discretion will be considered reasonably on its individual merits; a general policy against funding is not an absolute prohibition. The Board will consider relevant operational benefits, affordability, the member's circumstances and the risk of serious loss of confidence in public service, and will comply with applicable equality law. Decisions must record the governing provision, reasons, advice obtained and employer costs. The Board will obtain administering-authority advice on transitional and McCloud protections and will not treat statutory entitlements as discretionary awards.

Regulation 9 (1) & (3) – Contributions

Pensionable pay will be determined under regulation 20, including pensionable salary, wages and other qualifying payments and excluding items that the regulations exclude. A payment's description alone does not determine its treatment. Payroll will apply the correct CARE and, where relevant, final-salary definitions and follow the administering authority's guidance for assumed pensionable pay, lost pensionable pay and absences.

Under regulation 9, the Board will allocate a contribution band on joining and each 1 April using a reasonable, consistent estimate of the annual pensionable pay for each employment and the nationally applicable bands and rates. Part-time employees will be assessed on their actual annual pensionable earnings, not full-time-equivalent pay. Payroll will monitor pay monthly and review the allocation quarterly and following a material pay change, applying the statutory rules for reductions in pay during absence.

Variable-hours employees will be assessed using a reasonable estimate of annual pensionable pay, informed by contracted hours, expected earnings and available pay history. No fixed starting rate of 5.5% will apply irrespective of pay. The statutory 50/50 section rate will be applied where a valid election is in force.

Employees will be notified of their contribution band and rate on joining, at the annual assessment and when a change is made, with an explanation and information about their right to challenge the decision under the LGPS Internal Dispute Resolution Procedure.

Regulation 17 (1) – Shared Cost Additional Voluntary Contributions (SCAVC)

The Upper Medway Internal Drainage Board will not operate a SCAVC for employees.

Regulation 21 (5) – In determining Assumed Pensionable Pay whether a lump sum payment made in the previous 12 months is a 'regular lump sum'.

The Board will maintain a documented approach to identifying regular lump-sum payments for assumed pensionable pay under regulation 21(5). Each calculation must meet the statutory tests and reflect the member's circumstances; a list alone does not determine entitlement. Any permitted adjustment where calculated assumed pensionable pay is materially below normal pay will be considered on evidence and with administering-authority advice.

Regulation 22 (7)(b) &22 (8)(b) - Aggregation of Benefits

Previous LGPS benefits will be combined or retained separately according to the applicable regulations and the member's service history, as confirmed by the administering authority. Most deferred benefits are

combined automatically unless a timely election is made to keep them separate, but pre-1 April 2014 deferred benefits generally require an election to combine. Deferred refunds must be combined where required, and benefits arising from an opt-out on or after 11 April 2015 cannot normally be combined with a later active account. The Board may extend an applicable 12-month election period where the regulations permit, considering the reasons for delay, the information supplied and the individual circumstances. Members must obtain confirmation of their options and deadlines from the administering authority.

Regulation 100(6) – Inward transfers from other pension schemes

A request to transfer eligible pension rights from another scheme must normally be made in writing to both the administering authority and the Board within 12 months of first becoming an active member in the employment. An extension requires the agreement of both the Board and the administering authority. The Board will consider exceptional circumstances, administrative delay and whether adequate information was provided, taking advice on any financial implications. Board approval alone does not guarantee that a transfer can be accepted.

The Board must prepare, publish and keep under review the written employer policy required by regulation 60 of the LGPS Regulations 2013 and Schedule 2 to the LGPS Transitional Regulations 2014, covering SCAPCs, flexible retirement, waiver of actuarial reductions, additional pension and the relevant Rule of 85 discretions. Applicable saved discretions for former members must also be addressed. This policy does not transfer administering-authority powers to the Board.

A copy of the adopted policy must be supplied to the administering authority and published. The historic 30 June 2014 submission date does not replace the continuing publication and notification obligations.

The Board will review this policy at least annually and sooner following relevant legislative or scheme changes. Substantive amendments require a recorded Board decision. The adoption date and minute reference must be retained with the policy; a proposed approval date or footer is not evidence of adoption.

Within one month of revising the policy, the Board will publish the revised statement and send a copy to the administering authority, and will make it accessible to scheme members. Changes must not be used to override accrued rights or mandatory scheme provisions.

Members will receive written notification of decisions affecting their pension rights, with reasons where required and details of the LGPS Internal Dispute Resolution Procedure (IDRP), including the appropriate adjudicator and time limits. Stage 1 complaints must normally be made within six months of notification or the relevant act or omission, unless the adjudicator allows longer; Stage 2 is through the administering authority. The Clerk will ensure that the Board has an appointed Stage 1 adjudicator and that the current contact details are supplied with decision notices.

Oliver Pantrey
Clerk
10/11/26

Amendments March 2022

- Removed Lower Medway IDB References
- Removed plural use when referring to the Board
- Changed Clerk of Works to Clerk

Amendments November 2025

- Made reference to Clerk responsibilities for non-material changes between Board meetings.
- Removed pluralisation throughout (remnant of joint services mentioning)

Amendments November 2026

- Updated unpaid-leave provisions for the LGPS changes effective from 1 April 2026 (S.I. 2026/226), including compulsory contributions for short absences, Qualifying Additional Pension Arrangements and assumed pensionable pay for relevant unpaid family leave; retained the earlier rules for pre-April 2026 absences.
- Corrected eligibility and enrolment provisions to include eligible short-contract employees and the Board's designation arrangements, distinguishing contractual enrolment from statutory automatic-enrolment duties.
- Replaced the blanket variable-hours contribution rate and inconsistent pay-assessment wording with statutory contribution bands, consistent annual-pay assessment and member notification requirements.
- Clarified flexible-retirement benefit choices, actuarial-reduction waivers and Rule of 85 protections, including relevant former-member provisions, while preserving individual consideration and mandatory entitlements.
- Corrected the treatment of previous LGPS benefits and confirmed that extending the inward-transfer deadline requires both employer and administering-authority agreement.
- Strengthened recorded Board decisions, conflict-of-interest safeguards, cost assessment, statutory policy publication and one-month notification requirements, and access to the LGPS dispute-resolution procedure.