

# London Borough of Hillingdon Administering Authority discretions and delegated authority

26 September 2023

The table below sets out how the London Borough of Hillingdon Pension Fund (LBH PF) chooses to exercise its discretions under the LGPS regulations, together with the delegated authority for approval where a further decision exists.

|    | <b>Discretion</b>  | <b>Regulation</b>                                 | <b>Policy</b>  | <b>Delegated authority for approval</b> |
|----|--|---|--|---|
| 1. | Whether to agree to an admission agreement with a Care Trust, NHS Scheme employing authority, Care Quality Commission or any other body applying to be an admission body   | R4(2)(b),<br>R5(5) &<br>RSch 2, Part<br>3, para 1 | LBH PF will enter into an admission agreement where the requirements that it has set down and issued to prospective bodies are met.  | LBH Pension Services                    |
| 2. | Whether to terminate a transferee admission agreement in the event of: <ul style="list-style-type: none"> <li>- Insolvency, winding up or liquidation of the body</li> <li>- Breach by that body of its obligations under the admission agreement</li> <li>- Failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so</li> </ul> | RSch 2, Part<br>3, para 9(d)                      | LBH PF will decide any case on its merits.   | Corporate Director of Finance           |
| 3. | Define what is meant by 'employed in connection with'  | RSch 2, Part<br>3, para12(a)                      | LBH PF admission agreements specify this as the employee spending at least 50% of his time employed by the admission body carrying out duties relevant to the provision of the services. | N/A                                     |
| 4. | Whether to turn down a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is very small and could be paid as a single payment)   | R16(1)  | As a general rule the Hillingdon Pension Fund will not turn down any requests, however, it reserves the right to do so.  | N/A                                     |
| 5. | Whether to require a satisfactory medical before agreeing to an application to pay an APC / SCAPC  | R16(10)   | The Administering Authority may require a satisfactory medical report to be submitted, at your cost, before your application is accepted.  | N/A                                     |

|     | <b>Discretion</b>   | <b>Regulation</b> | <b>Policy</b>   | <b>Delegated authority for approval</b>             |
|-----|---|-------------------|---|---|
| 6.  | Whether to turn down an application to pay an APC / SCAPC if not satisfied that the member is in reasonably good health.  | R16(10)           | Where this is the case you will be notified of the process to be followed after submitting your application to pay APC's  | Director of Pensions, Treasury & Statutory Accounts |
| 7.  | Whether to charge member for provision of an estimate of additional pension that would be provided by the Scheme in return for transfer in of in house AVC /SCAVC funds (where AVC / SCAVC arrangement was entered into before 1 / 4/ 14)                           | TP15(1)d & A28(2) | LBH PF charges for estimates based on the current rate payable by the Fund.   | N/A   |
| 8.  | Decide to whom any AVC/SCAVC monies (including life assurance monies) are to be paid on death of the member   | R17(12)           | LBH PF will decide each case on its merits, after assessing all potential beneficiaries, but will take into account the member's valid expression of wish form. | LBH Pension Services                                |
| 9.  | Pension account may be kept in such form as considered appropriate  | R22(3)(c)         | LBH PF will decide the form in which pension accounts are kept based on any published guidance, best practice and in an efficient manner.                       | N/A   |
| 10. | Decide, in the absence of an election from the member within 12 months of ceasing a concurrent employment, which ongoing employment benefits from the concurrent employment which has ceased should be aggregated (where there is more than one ongoing employment) | TP10(9)           | LBH PF will aggregate with the earliest remaining employment.   | N/A   |

|     | Discretion  | Regulation   | Policy  | Delegated authority for approval                    |
|-----|---|--|---|---|
| 11. | If an Employer has become defunct, the administering authority is required to make decisions on ill health and early payment of benefits. Including whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement or on benefits which a member voluntarily draws before normal pension age.   | R30(8)<br>TP12(6)<br>R38(3)<br>R38(6)<br>B30(2)<br>B30(5)<br>B30A(3)<br>B30A(5)<br>B31(4)<br>B31(7)<br>TPSch 2,<br>para 1(2) &<br>1(1)(c)<br>TP3(1),<br>TPSch 2<br>para 2(1) | LBH PF will exercise this discretion in accordance with, and to the extent of (if any) the policy and practice of the former employer. If no policy exists, LBH PF will not waive any reduction or otherwise agree to a retirement which would incur an employer strain charge.<br>LBH PF will assess ill health retirement decisions, including the use of 2008 certificates, on a case by case basis.   | Director of Pensions, Treasury & Statutory Accounts |
| 12. | Whether to require any strain on Fund costs to be paid 'up front' by employing authority following payment of benefits under:<br>Ill-Health retirement, flexible retirement; redundancy / business efficiency; the waiver (in whole or in part) of any actuarial reduction that would have otherwise been applied to benefits which a member voluntarily draws before normal pension age. | R68(2)<br>TPSch 2,<br>para 2(3)<br>L80(5) B30<br>or B30A   | <i>LBH PF requires employers to make upfront payment of strain charges following any decision to allow early payment of benefits. In case of ill-health benefits, if an employer, against the recommendation of an IRMP (Independent Registered Medical Practitioner) decides to bring an employee's Pension into payment they will be liable to pay the whole strain cost upfront. If the ill-health decision is aligned with the IRMP decision the strain costs will form part of the employer's contribution rate.</i> | Director of Pensions, Treasury & Statutory Accounts |
| 13. | Whether to extend the time limits within which a member must give notice of the wish to draw benefits before normal pension age or upon flexible retirement.  | R32(7)   | No extension will be granted, unless appropriate to the individual circumstances of a case.   | Director of Pensions, Treasury & Statutory Accounts |
| 14. | Decide whether to commute small pension   | R34(1) R39<br>(1) (b) & (c)<br>B39 T14(3)<br>L49 & L156  | LBH PF will allow commutation of eligible small pension pots.   | N/A   |

|     | <b>Discretion</b>   | <b>Regulation</b>  | <b>Policy</b>   | <b>Delegated authority for approval</b>             |
|-----|---|--|---|---|
| 15. | Approve medical advisors used by employers (for ill health benefits)  | R36(3)<br>L97(10)  | The Administering Authority will only accept an approved, registered medical practitioner.  | Director of Pensions, Treasury & Statutory Accounts |
| 16. | Decide to whom death grant is paid  | TP17(5) to (8)<br>R40(2)<br>R43(2)<br>R46(2)<br>B23(2) & B32(2)<br>B35(2)<br>TSch1<br>L155(4)<br>L38(1)<br>L155(4)<br>E8 | The Administering Authority shall exercise absolute discretion in determining the recipient(s) of any death grant payable from the Scheme.<br><br>As required, the Council shall exercise absolute discretion in determining the recipient(s) of any death grant payable from the Fund. Decisions on the payment of a death grant will be made after taking in to account all relevant considerations and documentary evidence, including the deceased's Expression of Wish and will. | Director of Pensions, Treasury & Statutory Accounts |
| 17. | Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more regulations in respect of the same period of Scheme membership | R49(1)(c)<br>B42(1)(c)   | LBH PF will choose the benefit entitlement that yields the highest level of benefits for the member.  | HCC Team Manager - Member Services                  |
| 18. | Whether to set up a separate admission agreement fund   | R54(1)   | LBH PF has decided not to set up a separate admission agreement fund.   | Corporate Director of Finance                       |
| 19. | Maintain a governance policy which contains the information set out in the regulations  | R55  | LBH PF has a written governance policy which contains the required information and is regularly reviewed.   | Pension Committee                                   |
| 20. | Decide on Funding Strategy for inclusion in funding strategy statement  | R58  | LBH PF has a funding strategy which is included in the funding strategy statement.  | Pension Committee                                   |
| 21. | Whether to have a written pensions administration strategy and if so, the matters it should include   | R59(1) and (2)   | LBH PF has a written pensions administration strategy.  | Pension Committee                                   |

|     | <b>Discretion</b>  | <b>Regulation</b> | <b>Policy</b>  | <b>Delegated authority for approval</b> |
|-----|--|-------------------|--|---|
| 22. | Maintain a communication policy which contains the information set out in the regulations  | R61               | LBH PF has a written communication policy which contains the required information and is regularly reviewed. | Pension Committee                       |
| 23. | Whether to obtain revision of employer's contribution rate if there are circumstances which make it likely a Scheme employer will become an exiting employer       | R64(4)            | LBH PF will decide each case on its merits, with advice from the Fund Actuary.                               | Corporate Director of Finance           |
| 24. | Decide whether to obtain a new rates and adjustments certificate if the Secretary of State amends the Benefits Regulations as part of the 'cost sharing' under R63 | R65               | LBH PF will make this decision as it arises, with advice from the Fund Actuary.                              | Corporate Director of Finance           |

|     | <b>Discretion</b>   | <b>Regulation</b>          | <b>Policy</b>  | <b>Delegated authority for approval</b>             |
|-----|---|----------------------------|--|---|
| 25. | Decide the frequency of payments to be made over to the Fund by employers and whether to make an admin charge | R69(1)<br>L81(1)<br>L12(5) | <p>LBH PF has determined the interval for payment of employer contributions to be monthly (other than for employers who make advance payment of their contributions on 1 April). Payments are due monthly by 19<sup>th</sup> of the month (22<sup>nd</sup> if electronic) following deduction.</p> <p>However if in exceptional circumstances an employer makes a request to defer payment of employer contributions, consideration to this will be given on a case by case basis. Factors which will be considered include, but are not limited to; the overall financial security of the organisation making the request, the likelihood that deferring may lead to contributions not being paid within the year, the support of any guarantor or related local authority to the deferment. If a request is agreed, then deferred payments will be subject to interest at the underlying discount rate for the employer.</p> <p>LBH PF reserves the right to ask the Fund Actuary to take into account the timing of deferred payments when determining the allocation of assets. This is so that any material increase in markets is not unfairly attributed to employers during a period of non payment.</p> <p>Administration costs are taken into account by the actuary when setting employer contribution rates.</p> | Director of Pensions, Treasury & Statutory Accounts |

|     | <b>Discretion</b>  | <b>Regulation</b>       | <b>Policy</b>   | <b>Delegated authority for approval</b>             |
|-----|--|-------------------------|---|---|
| 26. | Decide the form and frequency of information to accompany payments to the Fund   | R69(4)<br>L81(5)        | Employers are required to complete a monthly remittance form with their payment showing a breakdown of contributions.   | HCC Team Manager – Finance                          |
| 27. | Whether to issue employer with notice to recover additional costs incurred as a result of the employer's level of performance  | R70 and<br>TP22(2)      | LBH PF will work with employers to improve performance but if additional and disproportionate resources are deployed by LBH PF because of an employer's poor performance, the cost of the additional resources may be re-charged. | Director of Pensions, Treasury & Statutory Accounts |
| 28. | Whether to charge interest on payments by employers which are overdue  | R71(1)<br>L82(1)        | LBH PF will charge interest on payments which are more than one month overdue.  | Director of Pensions, Treasury & Statutory Accounts |
| 29. | Decide whether to extend six month period to lodge a stage one IDRPs to be heard by the administering authority  | R74(4)                  | LBH PF will not extend the 6 month period, unless the circumstances of the individual case warrant an extension.  | Director of Pensions, Treasury & Statutory Accounts |
| 30. | Decide procedure to be followed when exercising its IDRPs functions and decide the manner in which those functions are to be exercised   | R74(6)<br>R76(4)<br>L99 | LBH PF has a documented and compliant IDRPs process.  | N/A   |
| 31. | Whether admin authority should appeal against employer decision (or lack of a decision)  | R79(2)<br>L105(1)       | LBH PF would take the decision to appeal based on the merits of the individual case.  | Director of Pensions, Treasury & Statutory Accounts |
| 32. | Specify information to be supplied by employers to enable admin. authority to discharge its functions  | R80(1)(b) &<br>TP22(1)  | LBH PF provides employers with full guidance as to the information they must supply.  | N/A   |
| 33. | Whether to pay death grant due to a personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than amount specified in the Administration of Estates (Small Payments) Act 1965. | R82(2)<br>A52(2)<br>L95 | LBH PF will pay death grants that are under the amount specified in the Administration of Estates (Small Payments) Act 1965 without the need for grant of probate / letters of administration.                                    | N/A   |

|     | <b>Discretion</b>  | <b>Regulation</b>   | <b>Policy</b>   | <b>Delegated authority for approval</b>             |
|-----|--|---|---|---|
| 34. | Whether, where a person (other than an eligible child) is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit.   | <b>R83</b><br><b>A52A</b>   | LBH PF will decide who should receive payment of benefits, based on the circumstances of the individual case.   | Director of Pensions, Treasury & Statutory Accounts |
| 35. | Date to which benefits shown on annual benefit statement are calculated.   | <b>R89(5)</b><br><b>L106A(5)</b>  | LBH PF uses 31 March, but will revise this if regulatory requirements, administrative efficiency or best practice demand it.  | N/A   |
| 36. | Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.  | <b>R100(6)</b>  | The Administering Authority will extend the limit where it is determined that maladministration has occurred as a result of affected employees not having been given any or sufficient details about the pension scheme of transfer option. | Director of Pensions, Treasury & Statutory Accounts |
| 37. | Allow transfer of pension rights into the Fund.  | <b>R100(7)</b>  | LBH PF will allow transfers into the Fund.  | N/A   |
| 38. | Where member to whom <b>B10</b> applies (use of average of 3 years pay for final pay purposes) dies before making an election, whether to make that election on behalf of the deceased member.<br><br>Make election on behalf of deceased member with a certificate of protection of pension benefits i.e. determine best pay figure to use in the benefit calculations (pay cuts / restrictions occurring pre 1.4.08.). | <b>TP3(6),</b><br><b>TP4(6)(c),</b><br><b>TP8(4),</b><br><b>TP10(2)(a),</b><br><b>TP17(2)(b)</b><br><b>TSch 1</b><br><b>L23(9)</b><br><b>B10(2)</b> | LBH PF will choose the pay figure that would yield the highest overall level of benefits for beneficiaries.   | HCC Team Manager – Member Services                  |
| 39. | Decide to treat child as being in continuous education or vocational training despite a break.   | <b>RSch 1 &amp;</b><br><b>TP17(9) B39</b><br><b>T14(3)</b>  | LBH PF will treat a child as being in continuous education or vocational training despite a break.  | N/A   |



|     | <b>Discretion</b>   | <b>Regulation</b>  | <b>Policy</b>  | <b>Delegated authority for approval</b> |
|-----|---|--|--|---|
| 40. | Decide evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member.   | <b>RSch 1 &amp; TP17(9)(b) B25</b>                             | LBH PF will decide the evidence required to determine financial dependence, based on guidance and best practice. For most cases, utility bills, bank statements or mortgage documentation in joint names will be accepted.   | HCC Team Manager - Member Services      |
| 41. | Decide policy on abatement of pensions following re-employment, including the pre April 14 element for post 14 leavers.   | <b>TP3(13) &amp; A70(1)* &amp; A71(4)(c) T12 L109 L110(4)b</b> | The Administering Authority has decided <b>not</b> to suspend or reduce pre 2014 pension payments following re-employment.   | N/A                                     |
| 42. | Extend time period for capitalisation of added years contract   | <b>TP15(1)(c) &amp; TSch1 &amp; L83(5)</b>                     | If applicable, LBH PF will not extend the time limit for applications to pay off added years contracts.  | N/A                                     |
| 43. | Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits  | <b>A45(3) L89(3)</b>   | LBH PF will look at each case on its merits but will usually recover as a deduction from benefits.   | LBH Pension Services                    |
| 44. | Whether to pay the whole or part of a child's pension to another person for the benefit of that child.  | <b>B27(5) L47(2) G11(2)</b>                                    | All pensions due to children under 16 will be paid to another person for the benefit of the child. After age 16, LBH PF will normally pay to the child, unless the circumstances of the individual case mean that the payments should continue to be made to another person. | N/A                                     |
| 45. | Extend normal 12 month period following end of relevant reserve forces leave for "Cancelling notice" to be submitted by a councillor member requesting that the service should not be treated as relevant reserve forces service. | <b>L17(4),(7),(8), &amp; L89(4) &amp; Sch 1</b>                | LBH PF will not extend the 12 month period.  | N/A                                     |
| 46. | Select appropriate final pay period for deceased non-councillor member (leavers post 31.3.98. / pre 1.4.08.).   | <b>L22(7)</b>  | LBH PF will choose the appropriate pay period that would yield the highest overall level of benefits for beneficiaries.  | HCC Team Manager - Member Services      |

|     | <b>Discretion</b>  | <b>Regulation</b>      | <b>Policy</b>   | <b>Delegated authority for approval</b>             |
|-----|--|------------------------|---|---|
| 47. | Apportionment of children's pension amongst eligible children (children of councillor members and children of post 31.3.98 / pre 1.4.08. leavers).   | L47(1)<br>G11(1)       | LBH PF will apportion children's pension equally amongst eligible children.   | N/A   |
| 48. | Commute benefits due to exceptional ill-health (councillor members, pre 1.4.08. leavers and pre 1.4.08. Pension Credit members).   | L50 and<br>L157        | LBH PF will commute benefits due to exceptional ill health, provided regulatory conditions are met.   | N/A   |
| 49. | Retention of CEP where member transfers out (councillors and pre 1.4.08. leavers).   | L118                   | CEP will be paid with transfers out rather than being retained in the Fund.   | N/A   |
| 50. | Discharge Pension Credit liability (in respect of Pension Sharing Orders for councillors and pre 1.4.08. Pension Sharing Orders for non-councillor members).                                 | L147                   | LBH PF will discharge its liability by conferring pension credit rights on the person entitled to the pension credit.   | N/A   |
| 51. | Whether to pay spouse's pensions for life for pre 1.4.98 retirees / pre 1.4.98 deferreds who die on or after 1.4.98. (rather than ceasing during any period of remarriage or co-habitation). | F7                     | LBH PF will pay spouse's LGPS pensions for life.  | N/A   |
| 52. | Agree to pay annual compensation on behalf of employer and recharge payments to employer.  | DC31(2)                | LBH PF will pay compensation on behalf of an employer, subject to acceptable recharge arrangements.   | Director of Pensions, Treasury & Statutory Accounts |
| 53. | Whether to agree to that an admission agreement may take effect on a date before the date on which it is executed.   | RSch2, Part 3, para 14 | As set out in the Employer Policy, LBH PF requires employers to notify the Fund of any outsourcing as soon as possible and complete an admission agreement with sufficient time before the contract start date. However each case will be decided on its merits, with advice from the Fund Actuary. | Director of Pensions, Treasury & Statutory Accounts |
| 54. | Whether to extend the period beyond 6 months from the date an Employer ceases to be a Scheme Employer, by which to pay an exit credit  | R64 (2ZA)              | As set out in the Employer Policy, LBH PF will agree a later date with an employer if circumstances mean that an exit credit cannot be paid within 6 months of the employer exiting the Fund.   | Director of Pensions, Treasury & Statutory Accounts |

|     | <b>Discretion</b>   | <b>Regulation</b> | <b>Policy</b>  | <b>Delegated authority for approval</b>             |
|-----|---|-------------------|--|---|
| 55. | To determine the amount of an exit credit, which may be zero  | R64 (2ZAB)        | LBH PF will determine the amount of any exit credit to be paid in accordance with the terms set out in the Funding Strategy Statement .  | Director of Pensions, Treasury & Statutory Accounts |
| 56. | Whether to suspend (by way of issuing a suspension notice) for up to 3 years an employer's obligation to pay an exit payment where the employer is again likely to have active members within the specified period of suspension. | R64(2A)           | LBH PF will exercise this discretion in relation to Town or Parish Councils. Any other circumstance will be considered on its merits with advice from the Fund Actuary.  | Director of Pensions, Treasury & Statutory Accounts |
| 57. | To decide whether it is legally able to offer voluntary scheme pays and, if so, to decide the circumstances (if any) upon which it would do so.   | RPS 2             | LBH PF will allow a request for Voluntary Scheme Pays (VSP) where the tax charge is over £1,000 in relation to an excess over the standard annual allowance. Any request for VSP below this minimum will be considered on a case by case basis with regard for the administration cost of administering a small pension debit. In addition, LBH PF will allow a request for VSP in relation to a tax charge of £1,000 or more which has arisen in relation to an excess over a tapered annual allowance over the standard annual allowance if the total tax charge is more than £1,000). | Director of Pensions, Treasury & Statutory Accounts |

**Key to regulations:**

| <b>Prefix</b> | <b>Regulation</b>  |
|---------------|--|
| <b>R</b>      | Local Government Pension Scheme Regulations 2013   |
| <b>TP</b>     | Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014                    |
| <b>A</b>      | Local Government Pension Scheme (Administration) Regulations 2008  |
| <b>B</b>      | Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007                            |
| <b>T</b>      | Local Government Pension Scheme (Transitional Provisions) Regulations 2008   |
| <b>L</b>      | Local Government Pension Scheme Regulations 1997 (as amended)  |
| <b>None</b>   | Local Government Pension Scheme Regulations 1995   |
| <b>DC</b>     | Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 |
| <b>RPS</b>    | The Registered Pension Schemes (Modification of Scheme Rules) Regulations 2011                                       |

