



Discretions policy

Some key points for all employers:

- Employers must formulate, publish, and keep under review a policy in relation to the exercise of discretions under the Local Government Pension Scheme.
- A copy of your policy must be sent to East Sussex Pension Fund within three months if you are a new employer joining the Fund.
- If your discretions policy is changed a copy should be sent to East Sussex Pension Fund within one month of the new changes taking effect.
- The application of individual discretions can apply to individual posts, to specific groups, be universal or decided on a 'case by case basis', but you must state this in your policy.
- In formulating and reviewing its policy, an employer should consider the extent to which the exercise of its discretionary powers could lead to a serious loss of confidence in the public service. The employer must also consider legislation outside of the scheme rules and make sure that its policies do not infringe anti-discrimination laws.
- Any costs which occur as the result of an employer exercising a discretion can be re-charged to the employer at the time they occurred or alternatively reflected in their future employer contribution rate at the next Fund valuation.

Template – mandatory discretions

East Sussex Pension Fund have an example discretions template which details the mandatory discretions that employers are required to have a policy on.



Discretions under the
Local Government Pei

Send your completed discretions policy to employer.engagement@eastsussex.gov.uk.

There are many other areas in which an employer can exercise their discretion for which a policy is optional e.g., extension of the one-year time limit to allow a transfer in, extension of the 30-day limit to elect for a Shared Cost Additional Pension Contribution in respect of unpaid leave etc. It can be beneficial to hold a policy in these areas to allow for an equal and consistent decision-making process. This would also provide evidence to support any decisions that are challenged.

The following LGPS document sets out the mandatory discretions that apply under the legislation.

[STATEMENT OF POLICY \(lgpslibrary.org\)](#)

The following document lists all discretions – both mandatory and non-mandatory.

[Full list of discretionary policies \(lgpslibrary.org\)](#)

Further support

Email: employer.engagement@eastsussex.gov.uk

This factsheet is one of a series put together by East Sussex Pension Fund to help support employers with processing key tasks.



Employer Toolkit...

Pointing you in the right direction

You can view the full employer toolkit at:

<https://www.eastsussexpensionfund.org/about-the-scheme/employers/employer-toolkit/>