

<b>RESPONSE TO LGPS STATUTORY CONSULTATION - CONTENT</b>
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**HEREFORDSHIRE COUNCIL**

Overall the Pensions package proposed meets the objective of being attractive in comparison to other sectors and yet appears to be financially viable.

We are pleased to note the proposal to calculate payments through a final salary scheme rather than career average, as the latter would have posed significant administrative difficulties.

We welcome the improved personal flexibility and phased retirements. Changes to the survivor benefits do now reflect the changing nature of society. These are improvements for the individual and also are a more attractive option to retain employees over 65.

*Average of 3 consecutive years in last 10:*

This would remove need for protection certificates. It does mean that employees' records would need to be kept longer than the current requirement of current year +6. We do this already, so this should not cause us problems for current employees.

If the average is used then pensions increase is applied to the figure, but from when? The end of years 1,2 or 3, or some other point? It is suggested that a more practical approach is to apply the pensions increase to each of the 3 years' pay separately, based on the end of each of the 3 years, and then average the results.

*Ill-health:*

This could prove more costly with the element of protection. However, this is balanced against the fact that it may be more difficult to obtain.

We welcome proposed guidance.

The term 'reasonable' should be defined to avoid inconsistent application. We would consider a 'reasonable' timeframe to be more than 1 year.

If the term 'reasonable' is not defined we believe that an increase in employee appeals is likely.

The term 'gainful employment' should be defined broadly and relate to an employee's ability to carry out reliable and efficient service.

We would like to see Paragraph 12 (2) of the draft regulations amended to read 'If the authority determine that there is no reasonable prospect of his obtaining gainful employment **on medical grounds** before his NRD....' to ensure that only medical factors are taken into account when reaching a decision.

*Augmentation*

There are sometimes problems getting this formally signed off before the person's last day of service (LDOS). Therefore we would like to see a provision whereby this may be formally agreed within 2 months of the LDOS in exceptional circumstances.

It is not clear why there is a distinction between service augmentation applying to active members, whereas the additional pension portion can be awarded to a person, who is not necessarily an active member.

*Tiered contribution rates*

We support this in principle, although it is likely to be complicated to calculate for people who have more than one job and part timers in general or those who are paid an hourly rate. This could also pose a challenge to software companies.