



Policy for Abatement of Retirement Pension in New Employment for the East Sussex Pension Fund

2021

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Introduction

This document outlines the position on the abatement of pensions adopted by the East Sussex Pension Fund (the Fund).

If you built up any pension in the Local Government Pension Scheme (LGPS) before 1 April 2014, take payment of your pension and then return to work in local government, or with an employer who offers membership of the LGPS, you must tell the LGPS fund that pays your pension about your new job. This is regardless of whether or not you join the LGPS in your new job. The LGPS fund that pays your pension will then let you know whether your pension in payment is affected in any way.

The East Sussex Pension Fund has resolved, that if a member has a pension with us, **the pension will not be subject to reduction or suspension** should they start a new period of employment with an LGPS eligible employer.

The only exception will be if you are in receipt of a tier 3 ill health pension benefit, which will be stopped if you take up "gainful" employment¹; so your pension may be affected if you return to work in this situation.

Regulatory Basis

Where a Scheme Member is in receipt of a pension in respect of previous membership of the LGPS, that pension may be subject to reduction or suspension where the Member enters a new employment with any Scheme Employer and is eligible to join the LGPS in that employment. A full definition of effected employments is described in Schedule 2 The Local Government Pension Scheme (Administration) Regulations 2008.

The Administering Authority is required to have, and regularly review, a policy on abatements. The relevant requirements can be found in Reg. 70 The Local Government Pension Scheme (Administration) Regulations 2008.

It is for the Administering Authority to decide its policy on abatements.

Policy Decision

In formulating this policy, the Administering Authority has had regard to:

- The level of potential financial gain² at which it wishes abatement to apply;
- The administrative costs which are likely to be incurred as a result of abatement in the different circumstances in which it may occur;
- The extent to which a policy not to apply abatement could lead to a serious loss of confidence in the public service;

¹ Gainful employment is defined in the scheme rules as any type of paid work, for at least 30 hours a week over a period of at least 12 months

² This is a reference to the financial gain which it appears to the Administering Authority may be obtained by a member as a result of their entitlement both to a pension and to pay under any new Local Government employment

- The changing pensions landscape and approach taken by other scheme's and funds to ensure fairness and consistency for members
- The impact of our employers recruitment policies and needs.

What this policy means for members

Previously when a member of the Fund had already started to claim their pension but started a new period of employment, where they were eligible to join the LGPS, the amount of pension paid was subject to a possible reduction or suspension if they breached their re-employed earnings limit.

This review will no longer happen and the pension amount paid will not be reduced or suspended. Members with an abated pension will be put back in the position they would have been in as if their pension had not been reduced from April 2021. If this applies to you please contact the Pensions team.

Ill Health tier 3 members should continue to inform us of changes to their employment status to ensure our records are correct going forward. The Fund will let you know whether your pension payments should stop in this case.

Contact Details

East Sussex Pension Fund

East F County Hall
St Anne's Crescent
Lewes
East Sussex
BN7 1UE
Phone: 0300 200 1022
Email: pensions@eastsussex.gov.uk