

London Borough of Merton

Local Government Pension Scheme – Policy on abatement

Purpose of this document

Under Regulation 3(13) of the Local Government (Transitional Provisions, Savings and Amendment) Regulations 2014 and Regulation 70(1) and 71(4)(c) of the Local Government Pension Scheme (Administration) Regulations 2008, an administering authority is required to have, and regularly review, a policy on abatement of pensions.

This document sets out the policy on the abatement of pensions adopted by Merton Borough Council (Merton) in its role as the administering authority of the Merton Pension Fund section of the Local Government Pension Scheme (LGPS). This policy takes effect on and from [1 September 2023].

What is abatement?

Pension abatement is the extent, if any, to which an LGPS member's pension payment is reduced or suspended where the member re-enters a new employment under which they are again eligible for membership of the LGPS. Under the current LGPS Regulations 2013 (effective from 1 April 2014), pension abatement has been removed but, under former LGPS Regulations still in force, abatement can still be applied to pensions accrued before this date.

Merton's discretionary policy

In determining this policy, Merton has, amongst other things, had regard to the following:-

- *Cost* – the cost must be affordable and not in any way lead to a loss of confidence in public services.
- *Financial gain* – the level of the member's potential financial gain
- *Equality* – avoiding a policy that discriminates either directly or indirectly, for example, one which benefits one gender or an age group.

This policy will be reviewed at regular intervals and is subject to amendment.

Merton's policy on abatement

From 1 July 2023, Merton will no longer abate pensions in payment where a member starts a new period of employment with a LGPS eligible employer.

Re-employed pensioners who have previously retired on redundancy or efficiency grounds before October 2006 and been awarded compensatory added years, will be subject to abatement. This abatement applies only to the benefits which are payable in relation to the added years awarded.

Contact us

Should you wish to speak with Merton regarding this policy, please contact [insert contact details]

June 2023