

PUBLIC

MINUTES of a meeting of the **CABINET MEMBER FOR CORPORATE SERVICES** held on 8 October 2020.

PRESENT

Cabinet Member – Councillor A Foster

Also in attendance – Councillor P Murray

24/20 **MINUTES RESOLVED** that the minutes of the meeting held on 10 September 2020 be confirmed as a correct record.

25/20 **SHARED COST ADDITIONAL VOLUNTARY CONTRIBUTIONS SCHEME** Members of the Local Government Pension Scheme (LGPS) already had the option to contribute to additional voluntary contributions (AVCs) which were deducted through their salary and received tax relief on the amount they paid. AVCs were effectively a long term savings plan that ran alongside the mainstream LGPS to supplement their income at retirement and allow a member to build up a capital sum with flexible drawdown options at retirement.

Scope existed to implement a shared cost AVC scheme (SCAVC) through the Council's chosen pension provider (currently the Prudential) for members of the LGPS. The LGPS had a provision within its regulations to allow employees to enter into an agreement in which the employer could also contribute to their employee's AVC arrangement. This was known as a SCAVC and could be done under a salary sacrifice arrangement. HMRC rules allowed employers to implement salary sacrifice arrangements for AVC's. The advantages of implementing this new arrangement over the current scheme was that in addition to the tax relief that was currently received, the employee would pay lower national insurance contributions. In addition, the Council would benefit from a reduction in the employer national insurance contributions. The Council already provided employee benefits through salary sacrifice arrangements for Childcare Vouchers and Cycle to Work scheme.

An example of the savings an individual employee and the Council could make from a SCAVC scheme was set out in Appendix 1 to the report.

Prudential were the Derbyshire Pension funds current nominated AVC provider, and they had recommended that the Council sought specialist tax advice for support during the implementation. If approved, the Council would seek to procure an implementation partner who would provide the necessary support with HMRC application on behalf of the Council.

The Council provided salary sacrifice schemes for Childcare Vouchers and the Cycle to Work Scheme. Calculations for the purposes of overtime, allowances, pay awards and redundancy were based on notional pay and would be consistent across all schemes. Counsel's advice was sought regarding the implications of adopting a salary sacrifice scheme for AVC's in addition to the existing schemes for Childcare Vouchers and Cycle schemes. Counsel had recommended applying a consistent method of calculation for occupational maternity pay based on notional pay for all new salary sacrifice scheme members.

RESOLVED to approve the Council's intention to (1) adopt a Shared Cost Additional Voluntary Contributions scheme;

(2) procure a tax advice and implementation partner; and

(3) include salary sacrifice schemes within the LGPS non-mandatory discretions policy.

26/20 **EXCLUSION OF THE PUBLIC** **RESOLVED** to exclude the public from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of exempt or confidential information

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC WERE EXCLUDED FROM THE MEETING

1. To confirm the exempt minutes of the meeting held on 10 September 2020

27/20 **MINUTES** **RESOLVED** that the exempt minutes of the meeting held on 10 September 2020 be confirmed as a correct record.