

# LOCAL GOVERNMENT PENSION SCHEME DISCRETIONS POLICY

**Approved by Trust Executive Board/Policy effective from:**

**Date for review: October 2019**

## **1.0 Introduction**

1.1 This Policy sets out how the Trust will exercise its discretionary functions under the Local Government Pension Scheme (LGPS), which is administered by Peninsular pensions.

1.2 There are many discretions in the current and previous regulations. This policy covers the regulations where a written policy must be in place in relation to the exercise of its discretion, which are:

- a. 12. Power of employing authority to increase total membership of active members
- b. 16. Shared Cost Additional Pension
- c. 17 & TP15. Shared Cost AVC arrangement
- d. 18. Flexible retirement
- e. 30. Choice of early payment of pension according to the Benefits Regulations
- f. 31. Power of employing authority to grant additional pension
- g. TPSch 2. Power to 'switch on' the 85 year rule.

1.3 In preparing, or reviewing and making revisions to this policy, the Trust must have regard to the extent to which the exercise of any of the functions, in accordance with this policy could lead to a serious loss of confidence in the public service and be satisfied that this policy is workable, affordable and reasonable having regard to foreseeable costs.

## **2.0 Definition**

2.1 For the purpose of this document:

- a. Members, Trustees/Directors and Governors are referred to as Trustees;
- b. The Exeter Learning Academy Trust is referred to as The Trust;
- c. Staff refers to all staff employed by the Exeter Learning Academy Trust
- d. Students refers to all students being educated or on site at any of the schools within the Exeter Learning Academy Trust.

## **3.0 Legal Framework**

3.1. All employers who participate in the Local Government Pension Scheme are required to formulate a discretions policy in accordance with Regulation 66 of The Local Government Pension Scheme (Administration) Regulations 2008, and Regulation 60 of the Local Government Pension Scheme Regulations 2013.

#### 4.0 Policy Decisions Table

<b>Regulation R16 (2)(e) and R16 (4)(d)</b>	<b>Policy Decision</b>
<p><b>Shared Cost Additional Pension Scheme</b> An employer can choose to pay for or contribute towards a member's Additional Pension Contract via a Shared Cost Additional Pension Contract (SCAPC)</p>	The employer will not contribute to a shared cost contribution scheme.
<b>Regulation R17(1) &amp; TP15(1)(d) &amp; A25(3)</b>	<b>Policy Decision</b>
<p><b>Shared Cost Additional Voluntary Contribution Arrangement</b> An employer can choose to pay for or contribute towards a member's Additional Voluntary Contribution arrangement entered into before, on or after 1st April 2014 via a shared cost AVC</p>	The employer will not contribute to a shared cost contribution scheme.
<b>Regulation R30(6) &amp; TP11(2)</b>	<b>Policy Decision</b>
<p><b>Flexible Retirement</b> Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade.</p> <p>In such cases pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights.</p>	<p>A flexible retirement may be considered on:</p> <ul style="list-style-type: none"> <li>• Reduction of hours and/or grade, or</li> <li>• Reduction of hours and/or grade with the release of pension benefits, or</li> <li>• Appointment to new continuing employment within the Trust on reduced hours and/or grade</li> </ul> <p>Flexible retirement will be subject to:</p> <ul style="list-style-type: none"> <li>• Reduction in salary similar to the level of pension to be received, and</li> <li>• A minimum period of employment of 12 months in the reduced grade and/or hours following Flexible Retirement, and</li> <li>• No return to the higher hours/grade</li> </ul> <p>Employees must be therefore be made aware that where a Flexible Retirement request has been improved, any actuarial reduction will be borne by them. In some cases, employer "strain" cost may apply. These cases will be looked at on an individual basis.</p>
<b>Regulation R30(8)</b>	<b>Policy Decision</b>
<p><b>Waiving of actuarial reduction</b> Employers have the power to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to member's benefits paid on the grounds of flexible retirement.</p>	This may be considered in exceptional circumstances where there are business benefits.

<p>Employers may also waive, on the compassionate grounds, the actuarial reduction (in whole or in part) applied to member's benefits for deferred members and suspended tier 3 ill health pensioners who elect to draw benefits on or after age 60 and before normal pension age.</p> <p>Employers also have the power to waive, in whole or in part, the actuarial reduction applied to the active members of benefits when a member chooses to voluntarily draw benefits on or after age 55 and before age 60.</p>	<p>This may be considered in exceptional circumstances where there are business benefits.</p>
<p><b>Regulation TPSch 2, para 2(2) &amp; 2(3)</b></p>	<p><b>Policy Decision</b></p>
<p><b>Power of employing authority to 'Switch on' the 85 Year Rule</b>  An employer can choose whether to "switch on" 85 year rule for members who voluntarily retire on or after the age of 55 and before age 60.</p> <p>An employer can also choose to waive, on compassionate grounds, the actuarial reduction applied to benefits for a member voluntarily drawing benefits on or after age 55 and before age 60.</p>	<p>This may be considered in exceptional circumstances where there are business benefits.</p>
<p><b>Regulation R31</b></p>	<p><b>Policy Decision</b></p>
<p><b>Power of employing authority to grant additional pension</b>  An employer can choose to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6'500* per annum).</p> <p>(* the figure of £6'500 will be increased each April under Pensions Increase orders).</p>	<p>This may be considered in exceptional circumstances where there are business benefits.</p>
<p><b>Regulation 22</b></p>	<p><b>Policy Decision</b></p>
<p><b>R22(8)(b)</b> Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment.</p> <p><b>R22(7)(b)</b> Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment.</p>	<p>These cases will be looked at on an individual basis.</p>

## LGPS 2008 DISCRETIONS

Regulation B18	Policy Decision
<p><b>Flexible retirement</b> Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade.</p> <p>In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights.</p>	<p>A flexible retirement may be considered on:</p> <ul style="list-style-type: none"> <li>• Reduction of hours and/or grade, or</li> <li>• Reduction of hours and/or grade with the release of pension benefits, or</li> <li>• Appointment to new continuing employment within the trust on reduced hours and/or grade</li> </ul> <p>Flexible retirement will be subject to:</p> <ul style="list-style-type: none"> <li>• Reduction in salary similar to the level of pension to be received, and</li> <li>• A minimum period of employment of 12 months in the reduced grade and/or hours following Flexible Retirement, and</li> <li>• No return to the higher hours/grade</li> </ul> <p>Employees must be therefore be made aware that where a Flexible Retirement request has been improved, any actuarial reduction will be borne by them.</p> <p>In some cases, employer “strain” cost may apply. These cases will be looked at on an individual basis.</p>

Regulation B30	Policy Decision
<p>Choice of early payment of pension</p> <p><b>B30(2)</b> Employers can also allow the early payment of deferred benefits to former members of the LGPS between the ages of 55 and 59. Please note where a deferred member left the LGPS before 1 April 2008 the employer policy under the 1997 Regulations will apply.</p> <p><b>B30A(3)</b> Employers may also grant an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60.</p> <p><b>B30(5) &amp; B30A(5)</b> In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights.</p>	<p>These may be considered in exceptional circumstances where there are business benefits.</p>

## **5.0 Internal Dispute Resolutions Procedure (IDRP)**

5.1 Peninsular pensions operate an Internal Dispute Resolution procedure for when an employee raises a complaint against a decision made in accordance with this policy.

5.2 The Stage 1 Appeal Officer in this scenario will be the Chief Executive Officer of the Trust.

## **6.0 Policy Implementation**

6.1 This policy confers no contractual rights. The Trust as the employer retains the right to change this policy at any time, and only the version of the policy which is current at the time that a relevant event occurs to the employee/scheme member will be the one applied to that employee/member.

6.2. Before the expiry of the period of one month beginning with the date any such revisions are made, the Trust will send a copy of its revised statement to each relevant administering authority and will publish the revised policy.

## **7.0 Policy Circulation**

7.1 This Policy will be published on the Trust's website and included in the Policy Review document.

7.2 This Policy will be circulated to every Member, Trustee/Director, Governor and Senior Employee by sending an email to the link on the Trust's website on an annual basis and when each new Member, Trustee/Director, Governor and Senior Employee joins the Trust.

7.3. The Trustees, in consultation with the Local Governing Bodies, are responsible for overseeing, reviewing and organising the revision of the LGPS Discretions Policy.

## **Adoption of the Policy**

This Policy has been adopted by the Trustees of the Exeter Learning Academy Trust.

**Signed**

**(Chair of Trust)**

**Date**