



LGPS Discretionary Policy

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Last review date:	September 2019
Next Review date:	September 2022
Review Cycle:	3 Years
Statutory Policy:	Yes
Publication:	Website. SharePoint/Policies

The Small Schools Multi Academy Trust LGPS Mandatory Discretionary Policies

This document outlines The Small Schools Multi Academy Trust's ("The Trust") policy on the employer discretions specified in the Local Government Pension Scheme Regulations 2013, which came into effect on 1 April 2014.

1. Introduction

The Local Government Pension Scheme (LGPS) in England and Wales was amended from 1 April 2014 so that benefits accruing for service after 31 March 2014 will accrue on a Career Average Revalued Earnings (CARE) basis, rather than on a final salary basis. The provisions of the CARE scheme, together with the protections for members accrued pre 1 April 2014 final salary rights, are contained in the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.

As a result of the changes, scheme employers participating in the LGPS in England or Wales will have to formulate, publish and keep under review a statement of policy on certain discretions which they have the power to exercise in relation to members of the CARE scheme.

Scheme employers are also required to (or where there is no requirement, are recommended to) formulate, publish and keep under review a statement of policy on certain other discretions they may exercise in relation to members of the LGPS.

2. Background Regulations

Local Government Pension Scheme Regulations 2013 (LGPS 2013)
Local Government Pension Scheme (Transitional Provisions, savings and Amendment) Regulations 2014 (TP 2014)

3. Areas of Discretion

There are 5 areas of discretion where a Scheme Employer must publish a policy by 30 June 2014 under Regulation 60 of LGPS 2013 and TP 2014.

Regulation 16 LGPS 2013 (funding of additional pension)
Regulation 30(6) LGPS 2013 (Flexible Retirement)
Regulation 30(8) LGPS 2013 (waiving of actuarial reduction included with Regulation 30(6))
Regulation 31 LGPS 2013 (award of additional pension)
Schedule 2 TP 2014 (application of Rule of 85)

In addition, this document details the Trust's policy for the allocation of LGPS employee contribution bands and the Scheme of Delegation for decision making powers.

4. Consultation

The Trust is not required to consult with recognised trade unions when The Trust intends to adopt new, or change existing, discretionary policies. However, it is considered appropriate to give advance notification to recognised trade unions that a report is to be considered by The Trust.

5. Effective date of policies

The policies on discretions to be exercised under the LGPS Regulations 2013 take immediate effect from the date The Trust agrees the policies. Any change to the policies on existing discretions to be exercised under the LGPS Regulations in respect of former employees who were members of the scheme and who left pre 1 April 2014 take immediate effect from the date The Trust agrees the policies.

6. Non-fettering of discretions

The recommendations contained within this report, if approved, will form The Trust policies on pension and compensation discretions. It should be noted that:

- the policies will confer no contractual rights;
- subject to paragraph 4, The Trust will retain the right to change the policies at any time without prior notice or if, it is considered appropriate to give advance notification to recognised trade unions of the changes, and;
- only the policy which is current at the time a relevant event occurs to an employee / scheme member will be the one applied to that employee / member.

Signed:

On behalf of The Trust

Date:

Regulation 16 LGPS 2013: Funding of Additional Pension

Whether, where an active scheme member wishes to purchase extra annual pension of up to the maximum allowed by the scheme rules by making Additional Pension Contributions (APCs), The Trust will voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).

The Trust will only voluntarily contribute towards the cost of purchasing extra pension via a Shared Cost Additional Pension Contribution (SCAPC) where:

- an active scheme member returns from a period of authorised leave of absence, and
- the member does not, within 30 days of returning from the leave of absence, make an election to buy-back the amount of pension 'lost' during that period of leave of absence, and
- the member subsequently makes an election to do so whilst an active member and it can be demonstrated that the reason for the member missing the original 30 day deadline was because the member had not been made aware of that deadline, and
- the election is made no more than 3 months after the member returns from the period of leave of absence or such longer period as The Trust may deem reasonable in any individual case.

A decision on whether the member meets the above criteria (and on whether the 3 month period referred to should be extended in any individual case) will be taken by the CEO and, where it is agreed that the conditions are met, The Trust will be required to contribute 2/3rds of the cost of buying back the 'lost' pension via a SCAPC.

Regulation 16 (2)(e) and 16(4)(d). Additional pension contributions

Additional pension contributions will not normally be funded in whole or in part by The Trust. Any such payments would only be granted in exceptional cases as determined by the senior management of the Trust at the time of application.

Regulation 30(6) LGPS 2013: Flexible Retirement

That The Trust as employing authority will consider an application received in writing from a Scheme member to elect for flexible retirement under Regulation 30(6). Each case will be considered by the The Trust on its merits and will be subject to the approval of the relevant Manager under the The Trust's Scheme of delegation, and in giving that approval they are satisfied that:

- There are no pension costs to The Trust arising from the employee's flexible retirement.
- There is an operational, business or financial case for permitting flexible retirement which will not result in any detriment to the level of service.
- A reduction to the total costs of employing the person of at least 40%.
- Any agreed change to the employee's contract under this policy will be a permanent change to their contractual terms and conditions.
- Where a request for release of retirement benefits under this provision has been refused, no further application under the provision may be considered until the following financial year.

Regulation 30(8) LGPS 2013: Waiving of actuarial reduction

The Trust will not normally waive in whole or in part any reduction applied to individuals drawing their pension benefits before their normal retirement age under regulations 30(5) or 30(6). Any such payments would only be granted in exceptional cases following consideration of the merits of the financial and/or operational business case put forward and will require the approval of the CEO.

Regulation 31 LGPS 2013: Power of the employing authority to award additional pension to active members

The Trust will not make use of the discretion to grant extra annual pension of up to the maximum allowed by the scheme rules to an active scheme member or, within 6 months of leaving, to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency except in exceptional circumstances where The Trust considers it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and / or operational business case put forward.

Regulation 30 LGPS 2013: Early retirement after age 55 before Normal Pension Age (NPA) where employment ceases on or after 1 April 2014 under: Regulation 30(8) – Waiving of actuarial reduction

The Trust will not normally waive in whole or in part any reduction applied to individuals drawing their pension benefits before their normal retirement age under schedule 2 2(1). Any such payments would only be granted in exceptional cases following consideration of the merits of the financial and/or operational business case put forward and will require the approval of the CEO.

Rule of 85 protections

Whether, as the 85 year rule does not automatically apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60, to apply the 85 year rule to such voluntary retirements.

The Trust will not agree to apply the 85 year rule where members choose to voluntarily draw their benefits on or after age 55 and before age 60 except in circumstances where The Trust considers it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and / or operational business case put forward, and will require the approval of **[enter appropriate details]**

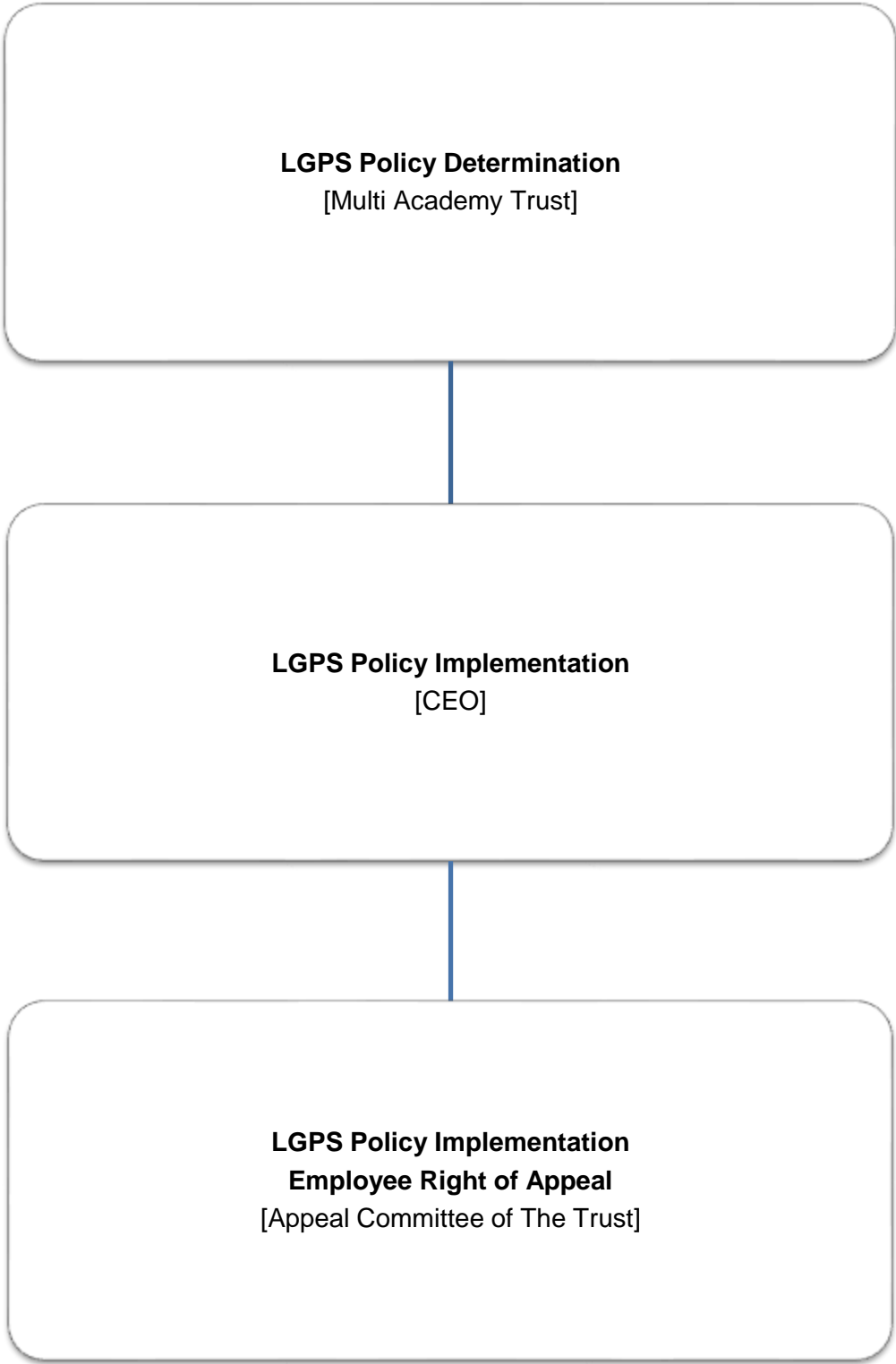
The Trust policy for the allocation of LGPS employee contribution bands

Members of the Local Government Pension Scheme (LGPS) will be assigned to the relevant contribution band for the year based upon actual pay as at 1 April each year and The Trust will not make any changes during the year, except in the following circumstances:

- (i) pay is permanently reduced, such that it would cause a move to a lower band
- (ii) pay is permanently increased, such that it would cause a move to a higher band
- (iii) a contractual additional payment is applied that would cause a move to a higher band

In all other circumstances assessment will be made on the actual pay at the end of March each year.

The Academy
Scheme of Delegation for LGPS



This Scheme of Delegation is subject to review every 3 years or at the point of statutory, regulatory or organisational change.