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Local Government Pension Scheme

Statement of Policy

#HR38

Last updated: 03 June 2025

Review Date: 31 August 2026

**Statement of intent**

Three Counties Academy Trust (TCAT) utilises the following provisions in respect of Local Government Pension Scheme (LGPS) discretions, formulated through Worcestershire County Council who are our LGPS providers.

Introduction

This document outlines Three Counties Academy Trust (TCAT’s) policy on the application of all mandatory and some non- mandatory discretions which we have the power to exercise in relation to members of the Local Government Pension Scheme (LGPS).

Worcestershire County Council is the administering authority on behalf of Three Counties Academy Trust and all of our schools.

The pension’s team can be contacted as follows:

[www.worcestershirepensionfund.org.uk](http://www.worcestershirepensionfund.org.uk)

Phone: 01905 766551

Email: pensions@worcestershire.gov.uk

Write: Pensions Section, Directorate of Financial Services, County Hall, Spetchley Road, Worcester, WR5 2NP

Further information about the scheme is available from the LGPS website.

What are discretions?

Discretions are powers that enable employers to choose how to apply the Scheme rules in respect of certain provisions.

Discretions fall into two categories:

* Mandatory discretions must be formulated and published
* Non-mandatory discretions do not have to be formulated and published

A summary of the mandatory discretions applied by Three Counties Academy Trust are outlined later in this statement.

Responsibilities

Employers who participate in the LGPS are required to draw up and publish a Discretions Statement and Policy and to keep the policy under review (e.g. in relation to any legal or policy developments).

In applying this policy, Three Counties Academy Trust will ensure that it applies the discretions reasonably, after taking account of all relevant factors, for example the cost to Three Counties Academy Trust and the Statement of policy on LGPS discretions 2025.

All requests by employees for the exercise of a discretion should be made in writing to the Chief Executive Officer (CEO) who will consider the approval. The request should contain all of the supporting information that the member considers relevant. Each case will be considered and its specific merits and circumstances.

If an employee is not happy with the decision made in respect of this policy, they should refer to Worcestershire Pension Fund’s Internal Disputes Resolution Procedure, also known as the LGPS Appeal Procedure.

Some discretions may be exercised on ‘compassionate grounds’, which are described in discretion 3 below. Where a member believes that compassionate grounds exist, these should be detailed in their written request. Three Counties Academy Trust reserves the right to seek additional information or evidence (including medical evidence) should it feel necessary.

Decisions on all flexible retirements which may incur a pension strain cost will be approved by the Chief Executive Officer.

If an employee wishes to retire before they reach the normal retirement age, they may request Voluntary Early Retirement (VER). This in effect is a resignation. Pension benefits would be reduced by taking VER because the benefits will be paid for longer. If the reduction would take the member’s pension below the ‘guaranteed minimum pension’ they will not be able to take VER at that time.

Application of Mandatory Discretions

The policy in respect of each employer discretion is set out below. However, Three Counties Academy Trust may give further consideration where there are exceptional circumstances and clear merit, or where the cost is not considered to be significant or material.

The following discretions apply to members who were actively paying into the scheme as at 1 April 2014 onwards:

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| **1.** | |
| **Discretion** | **Discretion of employing authority to decide to pay towards the cost of Additional Pension Contributions (APCs)**  Where an active scheme member has decided to make Additional Pension Contributions (APCs) to purchase extra pension benefits (up to £6,500 per annum), the employer can resolve to voluntarily contribute towards the cost of this.  Note: This does not include instances where the employee is paying for ***lost*** pension via an APC where the election was made in the first 30 days – here the employer ***must*** pay two-thirds of the cost of such purchase |
| **Regulation** | REGULATION 16(2)(e) and 16(4)(d) |
| **Policy** | *This discretion will not usually be exercised* |
| **2.** | |
| **Discretion** | **Flexible Retirement**  Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up whilst 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.  In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives the reduction either fully or in part or a member has protected rights. |
| **Regulation** | REGULATION 30(6) |
| **Policy** | *This discretion will not usually be exercised* |
| **3.** | |
| **Discretion** | ***Waiving of Actuarial Reduction on Compassionate Grounds***  Employers have the discretion under a number of retirement scenarios to waive the actuarial reductions on compassionate grounds.  In particular, Three Counties Academy Trust has the discretion to waive the reduction on compassionate grounds |
| **Regulation** | REGULATION 30(5) |
| **Policy** | *This is where an active member or deferred beneficiary is no longer able to work because they fulfil the role of a permanent carer for a close relative, spouse, partner or other dependent who, through chronic illness, requires full time or substantial care which is anticipated to be in excess of 12 months from the date of the medical evidence. Members will be expected to confirm they are a registered carer.* |
| **4.** | |
| **Discretion** | **Power of employer to waive actuarial reductions**  Employers can agree to waive any actuarial reductions due in the case of employees retiring anytime after age 55. This does not have to be due to ‘compassionate’ reasons.  If this discretion is used, the employer will pick up the cost of waiving reductions as an immediate strain cost payment. |
| **Regulation** | REGULATION 30(8) |
| **Policy** | *This discretion will not usually be exercised* |
| **5.** | |
| **Discretion** | **Power of employing authority to grant additional pension of up to £6,500 annual pension**  An employer may resolve to grant extra pension of up to £6,500 (figure at 1 April 2014) to an active Scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency. |
| **Regulation** | REGULATION 31 |
| **Policy** | *This discretion will not usually be exercised* |

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| **6.** | |
| **Discretion** | **Power of the employer to ‘switch’ back on the 85-year rule for employees retiring between ages 55 and 60.**  Employees are able to voluntarily retire between ages 55 and 60, post-31 March 2014 and onwards. Formerly this was only with employer permission and if granted, the employer would have paid any strain cost due if the employee met the 85-year rule.  The 85-year rule does not automatically apply to members retiring between 55 and 60 as the facility to retire voluntarily between 55 and 60 is a new facility.  The employer has the discretion to ‘switch’ back on the 85-year rule for employees leaving between 55 and 60, thus allowing employees not to have reductions (or have lesser reductions). In these cases the employer would have associated strain costs that would have to be paid by the organisation instead. |
| **Regulation** | REGULATION 1 (1)(c) Schedule 2 Transitional Regulations |
| **Policy** | *This discretion will not usually be exercised* |
| **Discretions applying to members who left the scheme after 31 March 2008 and before 1 April 2014** | |
| **7.** | |
| **Discretion** | **Power of the employer to ‘switch’ back on the 85-year rule for a member with deferred benefits voluntarily drawing on or after age 55 and before 60 or upon the voluntary early payment of a suspended tier 3 ill health pension** |
|  | A member with a deferred benefit who left the scheme voluntarily between 1 April 2008 – 31 March 2014 and who has subsequently become a deferred pensioner may now claim their benefits from age 55 without their employer’s consent. However, these benefits will be reduced for early payment.  Where a member has reached the 85 year rule at the point of retirement, an employer can consent to switching on the 85 year rule.  Any ‘strain’ to the Fund will be payable by the Scheme employer. |
| **Regulation** | Paragraph 1(1)(c) & 1(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 |
| **Policy** | *This discretion will not usually be exercised* |

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| **8.** | |
| **Discretion** | **Whether to waive reductions which may occur on deferred benefits claimed between ages 55-60 or suspended tier 3 ill health for leavers between 1 April 2008 and 31 March 2014.**  A member with a deferred benefit who left the scheme voluntarily between 1 April 2008 – 31 March 2014 or was awarded a Tier 3 ill health pension under the 2007 regulations and who has subsequently become a deferred pensioner may now claim their benefits from age 55 without their employer’s consent.  However, these benefits will be reduced for early payment.  An employer can consent to waiving any reductions, on compassionate grounds, which may be applied to deferred benefits or suspended tier 3 ill health pension paid early. |
| **Regulation** | REGULATION 30(5) |
| **Policy** | *This discretion will not usually be exercised* |

Application of Non-mandatory Discretions

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| **9.** | |
| **Discretion** | **Whether, how much, and in what circumstances to contribute to shared cost AVC arrangements** |
| **Regulation** | 17 of the LGPS Regulations 2013 and 15(2A) of the LGPS Transitional Provisions, Savings and Amendment Regulations 2014 |
| **Policy** | *This discretion will not usually be exercised* |
| **10.** | |
| **Discretion** | **Whether to extend the time limit for a member to elect to purchase additional pension by way of Shared Cost Additional Pension Contribution upon return from a period of absence** |
| **Regulation** | 16(16) of the LGPS Regulation 2013 |
| **Policy** | *This discretion will not usually be exercised, whole or in part* |

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| **11.** | |
| **Discretion** | **Discretions in relation to the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 Injury Allowance payments** |
| **Regulation** | (Regulations 3 to 7 of the Local Government (Discretionary Compensation) (Injury Allowances) Regulations 2011)  *The regulations clarify that Injury Allowance Schemes can apply to any employer eligible to participate within the Local Government Pension Scheme (LGPS) and who is listed in the schedule contained within the LGPS (Administration) Regulations 2008. Any eligible employer is required to publish, and keep under review, a written policy statement detailing the provisions of any discretionary Injury Allowance Scheme in place.* |
| **Policy** | *This discretion will not usually be exercised* |
| **12.** | |
| **Discretion** | The Scheme rules allow an employer to recover financial loss from member's pension benefit when:   * Employment has been terminated because of an offence involving fraud or grave misconduct; and * The former employer has suffered direct financial loss as a consequence. |
| **Regulation** | 74 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 |
| **Policy** | *Three Counties Academy Trust will exercise this discretion and will seek maximum financial recompense* |

Late Transfers of Pensions

Members of the LGPS have the option to transfer previous pension rights in the first 12 months of joining. To extend this is a discretion of the employer.

If an employee makes a request to transfer previous pensions outside of the 12 months window, each request will be considered on a case-by-case basis, taking into account the reasons for the delay and the cost of such.

To make a request to transfer your previous pensions, please contact Worcestershire Pension Fund who will send the request to Three Counties Academy Trust on your behalf.

Internal Disputes Resolution Procedure

Any complaints made in relation to a decision made by Three Counties Academy Trust in respect of this policy, should refer to Worcestershire Pension Fund’s Internal Disputes Resolution Procedure, also known as the LGPS Appeal Procedure.

Declaration

It is understood that the above discretions are applicable to all eligible members of the LGPS. Any changes exercised under the LGPS regulations can take immediate effect from the date Three Counties Academy Trust agrees any change.

# Monitoring and review

This statement and associated discretions will be reviewed in line with the published schedule at the front of this document and at any point material changes require it by the Executive Headteacher/CEO in conjunction with the Chief Finance Officer and the Trust Board as instructed by TCAT’s LGPS Provider. Any changes made to the policy will be amended by the Executive Headteacher/CEO and will be communicated to all members of staff.

The next scheduled review date for this policy is 31st August 2026.

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| Signed by: | | | |
|  | Executive Headteacher/CEO | Date: |  |
|  | Chair of the Trust Board | Date: |  |