

LGPS Pensions Discretions Policy



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1. Policy Review Schedule

Policy	OLT Local Government Pension Scheme Discretions Policy
Review schedule	Every 3 years (unless changes in guidance and legislation require an immediate update)
Statutory Policy	No
Policy owner	COO
Lead Reviewer	External review by Strictly Education
Approver and date of last approval	OLT Operations Committee, October 2021
Key review dates	Changes made
May 2021	Existing policy reviewed and updated by external HR consultant. Policy adopted by Operations Committee
October 2021	Policy updated to include requirements from OCC LGPS. Additional discretions included as required by OCC.
Next review due October 2024	

2. Introduction and purpose

- 2.1. Under the rules of the Local Government Pension Scheme (“LGPS”) the employer has the right to authorise discretion on a number of matters regarding the administration of the pension scheme.
- 2.2. As an employer the Trust has a legal duty to prepare and publish a policy statement in relation to exercising a number of discretionary powers under the regulations which apply to the LGPS.

- 2.3. The approach to exercising discretion in this policy is to allow the employer to make a reasonable decision in individual cases but also to be clear as to the factors it will take into account in making that decision. The Trust will take into consideration value for money, annual funding and overall financial stability in producing this document.
- 2.4. Irrespective of the particular LGPS an employee is a member of, the following discretions apply equally to all LGPS members in all schools within the Trust and in all Local Authority areas.
- 2.5. The Trust retains the right to change this policy at any time.

3. Scope

- 3.1. This policy applies to all staff who are in or who have been in an LGPS.

4. Legislation and regulation

- 4.1. All employers who participate in the Local Government Pension Scheme are required to formulate a discretions policy in accordance with LGPS Regulations.
- 4.2. This policy confers no contractual rights.

5. Policy statement

- 5.1. The Trust is committed to ensuring all non-teaching staff have the opportunity to be in a local government pension scheme.
- 4.2 This procedure was adopted by the Board on 17th March 2021.

6. Responsibilities

- 6.1. The following responsibilities apply in relation to this policy:
- 6.2. The Board have overall responsibility for agreeing and authorising the LGPS discretionary policy, hence any changes to the policy must be agreed by the Board.
- 6.3. Any complaints regarding this policy will be handled using the staff grievance policy and procedure.

7. Monitoring and Compliance

- 7.1. The policy will be reviewed every three years or when legislative changes take place.
- 7.2. Any areas that are not covered in the following table will be considered on a case-by-case basis and must in the first instance be raised with the Chair who will in turn raise the matter with the CEO.

Appendix 1 - Discretions – Local Government Pension Scheme

Area	Discretion	Regulation	Trust decision to exercise of the discretion or not
Automatic enrolment	Membership	2013 LGPS regulation 2	Non-teaching support staff will be automatically enrolled in accordance with earnings per pay period. The Trust will follow the statutory responsibilities as a Scheduled Body linked to Sch 2 of the Regulations.
Shared cost APCS	Whether, where an active Scheme member wishes to purchase extra annual pension of up to £7,194 by making Additional Pension Contributions (APCs), to (voluntarily) contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).	R16(2)(e) & R16(4)(d)	It is not the general policy to grant additional pension to scheme members under this regulation. Any exceptional cases that were of overall benefit to the Trust would require the Trust agreement.
Shared cost APCS	Whether to extend 30-day deadline for member to elect for a shared cost APC upon return from a period of absence from	R16(16)	The Trust will grant an extension to 60 days.

	work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave).		
Shared cost APCS	Whether, how much, and in what circumstances to contribute to a share cost APC scheme.	R16(e) and R16(4)d	The Trust will not normally contribute to SCAVC.
Shared Cost AVC	Whether, how much, and in what circumstances to contribute to shared cost AVC arrangements.	R17(1) & definition of SCAVC in RSch 1	The Trust will not normally exercise this discretion.
Flexible Retirement	Whether all or some benefits can be paid if an active member aged 55 or over and with at least 2 years qualifying service reduces their hours or grade (flexible retirement).	R30(6) & TP11(2)	The Trust may consider this discretion on a case-by-case basis in very exceptional circumstances where a sound business case is made.
Flexible Retirement	Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.	R30(8)	The Trust will not normally exercise this discretion. The Trust will check if there are any pre-2014 liabilities.

Flexible Retirement	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member only has post 31/3/14 membership).	R30(8)	The Trust will not normally exercise this discretion.
Flexible Retirement	Whether to “switch on” the 85-year a member voluntarily drawing benefits or after age 55 and before age 60 (than on the grounds of flexible retirement).	TPSch 2, paras 1(2) & 1(1)(c)	The Trust will not normally exercise this discretion.
Waive Reduction	<p>Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1/4/14 and post 31/3/14 membership) on:</p> <ol style="list-style-type: none"> 1. compassionate grounds (pre 1/4/14 membership) and in whole or in part on any grounds (post 31/3/14 membership) if the member was not in the Scheme before 1/10/06. 	TP3(1); TPsch 2, para2(1); B30(5) and B30A(5)	The Trust will not normally exercise this discretion.

	<p>2. compassionate grounds (pre 1/4/14 membership) and in whole or in part on any grounds (post 31/3/14 membership) if the member was in the Scheme before 1/10/06, will not be 60 by 31/3/16 and will not attain 60 between 1/4/16 and 31/3/20.</p> <p>3. compassionate grounds (pre 1/4/16 membership) and in whole or in part on any grounds (post 31/3/16 membership) if the member was in the Scheme before 1/10/06 and will be 60 by 31/3/16.</p> <p>4. compassionate grounds (pre 1/4/20 membership) and in whole or in part on any grounds (post 31/3/20 membership) if the member was in the Scheme before 1/10/06, will not be 60 by 31/3/16 and will attain 60 between 1/4/16 and 31/3/20.</p> <p>Whether to waive, in whole or in part, actuarial reduction on</p>		
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	benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member only has post 31/3/14 membership).		
Granting Additional Pension	Whether 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 £7,194 p.a.) This figure being increased each year under Pension Increase Orders).	R31	The Trust will not normally exercise this discretion.
Transferring in non LGPS pension rights	Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	R100(6)	The Trust will not normally extend the time limits.
Joining LGPS membership	Whether to extend the 12-month option period for a member to elect that post 31 March 2014 deferred benefits should not be aggregated with a new employment. Whether to extend the 12-month option period for a member to elect that post 31 March 2014	R22(7)(b)	The Trust will not normally extend the time limits to allow an employee to keep pension records separate.

	deferred benefits should not be aggregated with an ongoing concurrent employment.		
Employee contribution rate	How the pension contribution band to which an employee is to be allocated on joining the Scheme, and at each subsequent April, will be determined and the circumstances in which the employer will, in addition to the review each April, review the pension contribution band to which an employee has been allocated following a material change which affects the member's pensionable pay in the course of a Scheme year (1 April to 31 March).	R9(1) &R9(3)	The Trust will apply the published bands and will not apply any discretion.
Deferred Benefits	Whether to extend the 12-month option period for a member (who did not become a member of the 2014 Scheme by virtue of TP5(1)) to elect that pre 1 April 2014 deferred benefits should be aggregated with a new employment.	TP10(6) 2018 27	The Trust will not extend the 12-month period.

Discretions in relation to Scheme Members (who ceased active membership on or after 1.4.08 and before 1.4.14.			
Waive Reduction	Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30.	B30(5) TPSSch2 para 2(10)	The Trust will not normally exercise this discretion.
85 Rule	Whether to switch on the 85-year rule for a pensioner member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60 or upon voluntary early payment of a suspended tier 3 ill-health pension.	TPSch 2, para1(2) & 1(1)C) and 2018 66	The Trust will not switch on the 85-year rule for members voluntarily drawing benefits on or after age 55.
Waive Reduction	Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A or for employees with deferred benefits.	2007 B30A(5), TPsSch 2, para 2(1)	The Trust will not normally exercise this discretion.
Regular lump sums when assessing APP	Whether to include regular lump sums that would have been paid in the 3 months/12 weeks in the	2013 LGPS Regulation 21	The Trust will review each case on its own merit.

	APP assessment as a reasonable expectation.		
Replace APP with a higher value	Whether to substitute a higher APP as the previous year's earnings were lower.	2018 LGPS Regulation 7	The Trust will consider replacing an actual APP with one that more actually reflects an employee's expected level of pay.
Injury award to compensate for loss of: a. pay, or b. job, or c. death due to injury or disease sustained at work.	Whether to set up an Injury Compensation Scheme.	Regulation 14 (1) Regulation 3-7 of the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 employers (LGPS Employers)	The Trust will not set up an injury award scheme under these regulations.
Enhanced redundancy payments	Whether to enhance redundancy payments.	Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006	The Trust will base redundancy pay on the statutory week's earnings limit and will not make any redundancy/loss of job compensation lump sum payments.