



This policy was reviewed by the Operations Committee and adopted on	18 th March 2021
The policy is to be reviewed every 6 years	March 2027

LGPS Pensions Discretions Policy

Version Control

Version	Date	Summary of changes
1.1	18 th March 2021	<p>Policy review by External HR Consultant (HR for Schools)</p> <p>Policy adopted by the Operation Committee on 17th March 2021</p>

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1. Introduction and purpose

- 1.1. 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.
- 1.2. 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.
- 1.3. 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.
- 1.4. 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.
- 1.5. The Trust retains the right to change this policy at any time.

2. Scope

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

3. Legislation and regulation

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

4. Policy statement

- 4.1. 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 _____

5. Responsibilities

- 5.1. The following responsibilities apply in relation to this policy:
- 5.2. 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.
- 5.3. Any complaints regarding this policy will be handled using the staff grievance policy and procedure.

6. Monitoring and Compliance

- 6.1. The policy will be reviewed every three years or when legislative changes take place.
- 6.2. 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
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 work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave)	R16(16)	The Trust will grant an extension to 60 days
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 exercise this discretion.

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.
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 rule for a member voluntarily drawing benefits after age 55 and before age 60 (other 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	Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the	TP3(1); TPSch 2, para2(1); B30(5) and B30A(5)	The Trust will not normally exercise this discretion.

	<p>grounds of flexible retirement (where the member has both pre 1/4/14 and post 31/3/14 membership) on</p> <p>a) 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, 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>c) 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>d) 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</p>		
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	<p>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 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)</p>		
Granting Additional Pension	<p>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)</p>	R31	The Trust will not normally exercise this discretion.
Transferring in non LGPS pension rights	<p>Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS</p>	R100(6)	The Trust will not normally exercise this discretion.
Joining LGPS membership	<p>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</p>	R22(7)(b)	The Trust will not normally exercise this discretion.

	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 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)	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	TPSch 2, para1(2) & 1(1)C)	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	B30A(5), TPsch 2, para 2(1)	The Trust will not normally exercise this discretion.