



Employer Pension Discretionary Policy (LGPS)

Responsible for policy:
Policy Status:
Chair of Directors

Board of Directors
Statutory

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Regulations

The LGPS Regulations 2013

and

The LGPS Regulations 2014

(Transitional Provisions and Savings)

and

The LGPS Regulations 2008

(Benefits, Membership and Contributions)

1. Mandatory LGPS 2013 & 2014 Discretions

Discretionary policies from 1 April 2014 in relation to post 31 March 2014 active members and post 31 March 2014 leavers:

Shared Cost Additional Pension Contribution APC's) Reg 16(2)(e) & Reg 16(4)(d))

'Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.'

Where an active member wishes to purchase extra annual pension by making additional pension contributions (APCs)*, an employer can choose to voluntarily contribute towards the cost of purchasing that extra pension through a Shared Cost Additional Pension Contribution (SCAPC)

**(Please see [LGPS Member Website](#) for the current years maximum additional pension purchase limit)*

Note: this discretion does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work (or a longer period if the employer allows) to pay a SCAPC to cover the amount of pension 'lost' during that period of absence. In those cases, the employer must contribute 2/3rds of the cost to a SCAPC; there is no discretion (regulation 15(5) of the LGPS Regulations 2013).

Policy Decision:

The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances and if there is a sound business case.

Flexible Retirement R30(6) & TP11(2)

'Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).'

Whether to permit flexible retirement for staff aged 55 or over who reduce their working hours and/or grade and wish to access their pension benefits.

In such cases, pension benefits may be reduced in accordance with actuarial tables unless the employer waives reduction.

The employee must reduce either their hours, and/or their grade and the employer must agree to the release of the pension.

Policy Decision:

The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.

Waiving Reductions R30(8)

'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 March 2014 membership).'

Policy Decision:

The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.

'Switch on' the 85-year rule

TPSch 2, para 1(2) & 1(1)(c)

'Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (other than on the grounds of flexible retirement)'.

(The 85 year rule protection applies when the employee's age and length of LGPS service total 85 and the employee is aged 60 or over. If this applies then some or all of the employee's pension will not be subject to early retirement deductions should that employee take their pension before their normal retirement age).

Policy Decision:

The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.

Waive actuarial reductions to members benefits

TP3(1), TPSch 2, para 2(1), B30(5) & B30A(5)

'Whether to waive upon the voluntary early payment of benefits, any actuarial reduction on compassionate grounds or, for periods of service to which the compassionate service discretion does not apply, to waive any actuarial reduction on any grounds'.

Policy Decision:

The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.

Power of employing authority to grant additional pension Reg 31

'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'.

An employer can choose to grant extra annual pension* (at full cost to themselves) to:

- an active member; or
- to a member, within 6 months of leaving, whose employment was terminated on the grounds of redundancy or business efficiency

**(Please see [LGPS Member Website](#) for the current years maximum additional pension purchase limit)*

Policy Decision:

The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.

2. Pre 2014 Mandatory Discretions (Apr 2008 – Mar 2014)

Discretions to be exercised on and after 1 April 2014 in relation to scheme members who ceased active membership between 1 April 2008 and 31 March 2014

'Switch on' the 85-year rule

TPSch 2, para 1(2) & 1(1)(c)

*'Whether to "switch on" the 85 year rule for a member **voluntarily drawing benefits** on or after age 55 and before age 60.'*

*'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.'*

Policy decision

The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.

Waive actuarial reductions to members' benefits

B30(5), B30A(5), TPSch 2, para 2(1)

'Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 (member).'

*'Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A (**pensioner member with deferred benefits**).'*

An employer can decide whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.

Policy decision

The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.

3. Pre 2014 Mandatory Discretions (Apr 1998 – Mar 2008)

Discretions to be exercised on and after 1 April 2014 in relation to scheme members who ceased active membership between 1 April 1998 and 31 March 2008

<p>Grant application for early payment of deferred benefits R31(2) LGPS Regulations 1997</p>	<p>Policy decision</p>
<p><i>'Grant application for early payment of deferred benefits on or after age 50 and before age 55.'</i></p>	<p>The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.</p>
<p>'Switch on' the 85-year rule upon the voluntary early payment of deferred benefits TPSch 2, para 1(2) & 1(1)(f) & R60</p>	<p>Policy decision</p>
<p><i>'Whether to "switch on" the 85 year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.'</i></p>	<p>The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.</p>
<p>Waive actuarial reductions to members benefits R31(5) 1997 & TPsCh 2, para 2(1)</p>	<p>Policy decision</p>
<p><i>'Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early.'</i></p> <p>An employer can decide whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65.</p>	<p>The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.</p>

4. Pre LGPS 2014 Mandatory Discretions

Discretions to be exercised on and after 1 April 2014 in relation to members who ceased active membership before 1 April 1998.

Grant application for early payment of deferred benefits

TP3(5A)(vi), TL4, L106(1) 1997 Transitional & D11(2)(c) 1995 Regs

'Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds. Although the common provisions of the 1997 Transitional provisions regulations do not specify regulation D11(2)(c), there intention was that it should apply to this regulation.'

Employers can decide whether to grant applications early payment of deferred pension benefits on or after age 50 and before normal retirement age on compassionate grounds.

Policy Decision:

The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.

5. Recommended LGPS 2013 & 2014 Non-Mandatory Discretions

There is no requirement to have a written policy in respect of non-mandatory discretions. However, there are some non-mandatory discretions where it is recommended for Scheme employers to have a written policy so that both members and the Pension Fund administering authority can be clear on the employer's policy on these matters.

How an employee's contribution band will be initially determined and thereafter reviewed R9(1) & R9(3)

Employers must decide how the pension contribution band to which an employee is to be allocated on joining the Scheme will be determined and reviewed at each subsequent April.

Circumstances in which the employer will review the pension contribution band will also need to be determined. For example, following a material change which affects the member's pensionable pay during the Scheme year (1 April to 31 March)

From 1 April 2014, contributions are based on actual pay including non-contractual overtime

Policy Decision:

The rate of employees' contributions are determined by reference to the published bandings at the time of joining the LGPS. This may be reviewed from time to time if circumstances require it

<p>Extend the time limit for member to elect for a Shared Cost Additional Pension Contribution R16(16)</p>	<p>Policy Decision:</p>
<p><i>‘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).’</i></p>	<p>The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.</p>
<p>Shared Cost Additional Voluntary Contribution Arrangement (SCAVC) R17(1) and definition of SCAVC in RSch 1</p>	<p>Policy Decision:</p>
<p><i>‘Whether, how much, and in what circumstances to contribute to shared cost AVC arrangements.’</i></p> <p>An employer can choose to pay for or contribute towards a member’s Additional Voluntary Contribution through a shared cost arrangement (SCAVC).</p>	<p>The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.</p>
<p>Whether to include a regular lump sum payment when calculating assumed pensionable pay (APP) Reg 21(5)</p>	<p>Policy Decision:</p>
<p>When calculating assumed pensionable pay, employers can decide to include the amount of any ‘regular lump sum payment’ received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred.</p> <p>A ‘regular lump sum payment’ is a payment for which the employer determines there is a reasonable expectation that such a payment would be paid on a regular basis.</p>	<p>The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.</p>

<p>Whether to substitute a higher level of pensionable pay when calculating assumed pensionable pay R21(5A) and 21(5B)</p>	<p>Policy Decision:</p>
<p><i>'Where in the Employer's opinion, the pensionable pay received in relation to an employment (adjusted to reflect any lump sum payments) in the 3 months (or 12 weeks if not paid monthly) preceding the commencement of Assumed Pensionable Pay (APP), is materially lower than the level of pensionable pay the member would have normally received, decide whether to substitute a higher level of pensionable pay having had regard to the level of pensionable pay received by the member in the previous 12 months.'</i></p>	<p>The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.</p>
<p>Extend the 12-month time limit for a member to elect not to aggregate Post 31 March 2014 deferred benefits R22(8)(b) and R22(7)(b)</p>	<p>Policy Decision:</p>
<p>R22(8)(b): <i>'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.'</i></p> <p>R22(7)(b): <i>'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.'</i></p>	<p>The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.</p>
<p>Extend the 12-month time limit for a member to elect to aggregate Pre 1 April 2014 deferred benefits TP10(6)</p>	<p>Policy Decision:</p>
<p><i>'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.'</i></p> <p>Employers can decide whether to extend the 12-month time limit for a member to elect to aggregate their Pre 1 April 2014 deferred benefits with their new LGPS employment.</p>	<p>The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.</p>

Extend the 12-month time limit for transfer of pension rights R100(6)

'Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.'

An employer can decide to extend the 12-month time limit for a member to elect to transfer pension rights from another registered pension scheme into the LGPS, if an election has not been made within 12 months of joining the LGPS in that employment.

Applications for Adjudication of Disagreements R74 (1)

Each Scheme employer and administering authority must appoint a person ("the adjudicator") to consider applications from any person whose rights or liabilities under the Scheme are affected by-

- (a) a decision under regulation 72 (first instance decisions); or
- (b) any other act or omission by a Scheme employer or administering authority,

and to make a decision on such applications.

Policy Decision:

The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.

Adjudicator:

Responsibility for determinations under the first stage of regulation 72 rests with:

Terrie Kenyon
Chief Financial Officer
The Romero Catholic Academy
Potters Green Road
Coventry
CV2 2AJ

6. Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended)

Redundancy Payments calculation R5

'To base redundancy payments on an actual week's pay where this exceeds the statutory week's pay limit.'

Policy Decision:

The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.

Lump-sum compensation R6

'To award lump sum compensation of up to 104 week's pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.'

Policy Decision:

The Romero Catholic Academy will not exercise this discretion however it may consider individual cases on their own merits and may award this discretion in exceptional circumstances.