

Community Academies Trust LGPS Discretions Policy

Approved by the Board of Directors on: 12th April 2016

Review date: April 2018

1. Introduction

Community Academies Trust (CAT) is required to compose, publish and keep under review a policy statement in relation to the exercising of a number of discretions under the relevant Local Government Pension Scheme (LGPS) Regulations.

To ensure value for money and financial stability, CAT has adopted an approach that befits the size, finances and current staffing levels at the Trust. In addition, the decisions regarding the discretionary powers have been taken to ensure the affordability of the scheme to all members.

CAT is committed to equality and this policy has been created in accordance with anti-discrimination laws, the Equality Act 2010 and with regard to Age Regulations.

The LGPS is administered on a regional basis, often based on Local Authority area. Which LGPS an employee is a member of for administrative purposes will depend on the Local Authority in which the school he/ she works at is situated. These discretions apply equally to all LGPS members in all schools within the Trust and in all Local Authority areas.

CAT, as an LGPS Employer, is legally required to provide employees and LGPS scheme members with information regarding their decision to include or omit many of the following discretions in their LGPS scheme. Additional discretions are also included which are non-mandatory but have been included as best practice and for transparency:

2. Key roles and responsibilities

The Board of Directors has overall responsibility for the implementation and monitoring of the LGPS Discretionary Policy at CAT.

The Board of Directors has responsibility for ensuring that the LGPS Discretionary Policy, as written, does not discriminate on any grounds, including but not limited to: age, ethnicity/national origin, culture, religion, gender, disability or sexual orientation.

The Board of Directors has overall responsibility for handling complaints regarding this policy as outlined in the Complaints Policy.

In the first instance, complaints should be directed to the Finance Director.

The Headteacher/ Head of School has responsibility for the day-to-day implementation and management of the LGPS Discretionary Policy at each school that is a member of CAT

Staff members enrolled on the LGPS will be responsible for following the LGPS Discretionary Policy.

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3. Discretions

Regulation 31: Whether to grant additional pension to a member (up to £6,675 p.a. – figure as at April 2015)

The LGPS 2014 Regulations state that the Trust may agree, at its own cost, to award a member additional pension up to a maximum of £6,675 p.a. A school in the Trust will only consider doing so in cases where there is a clear financial or administrative advantage to the School and with the expressed permission of the Accounting Officer of the Trust.

Note: The figure of £6,675 p.a. will be increased each April under the Pension (Increase) Act 1971.

Regulations 16 (2)e and 16 (4)d: Whether to make either a regular or lump sum Additional Pension Contribution (APC) to a member's account (funded in part or wholly by the School)

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 a valid 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.

Regulation 30 (6): Whether all or some benefits can be paid if a member aged 55 or over reduces their hours/pay grade and continues to work (flexible retirement)

The LGPS 2014 Regulations state that a School may agree, at its own cost (if there is any) for a member aged 55 or over, who reduces their grade, hours of work, or both, to receive all or part of their LGPS benefits immediately, even though they have not left the School's employment. A school in the Trust will only consider doing so in cases where there is a clear financial or administrative advantage to the School and with the approval of the Accounting Officer of the Trust.

Regulation 30 (8): Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.

The LGPS 2014 Regulations state that if the benefits on flexible retirement would normally be reduced for early payment, the School may agree, at its own cost, to waive all or part of the reduction. A school in the Trust will only consider doing so in exceptional circumstances and with the approval of the Accounting Officer of the Trust.

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Regulation 30 (8): Whether to waive actuarial reduction on early retirement (age 55+) for both active and deferred members and suspended tier 3 ill health pensions

A school in the Trust may agree, at its own cost, for a member aged 55 or over, who leaves its employment without an automatic entitlement to immediate LGPS benefits, to receive their benefits immediately. The School only consider doing so in exceptional circumstances, where there is clear financial or administrative advantage to the School and with the approval of the Accounting Officer of the Trust.

LGPS Transitional Provisions, Savings and Amendment Regulations 2014 Regulation 1 (1)c: Whether to allow the rule of 85 to be “switched on” for members who would normally meet the rule but who will not if they draw their benefits aged 55-59.

A school in the Trust will only consider “switching on” the rule of 85 in cases where there is a clear financial or administrative advantage to the School and with the approval of the Accounting Officer of the trust.

Regulations 22 (8 and 9): Whether to extend the 12-month period to separate previous local government service

A school in the Trust will only allow an extension to the 12-month period to combine previous local government service where it can be shown that the member was not provided with the required information within 6 months of starting at the School.

Regulation 9 (3): Determination of the rate of employee’s contribution

A school in the Trust will review all employees’ contribution bands when there has been a contractual change to a member’s salary or hours during the financial year. Contribution rates will not be reviewed as the result of one-off additional payments.

Regulation 100 (6): Whether to extend the normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS

A school in the Trust will only allow an extension to the 12-month period to combine previous non-local government service where it can be shown that the member was not provided with the required information within 6 months of starting at the School.

Regulation 33 to 38: Whether to award an injury allowance following the loss of employment or reduction in pay or death in service through permanent incapacity after sustaining an injury or contracting a disease as a result of anything he/she was required to do in carrying out the duties of the role

A school in the Trust will consider each case on its merits and with the approval of the Accounting Officer of the Trust

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