Severndale Specialist

Academy

LGPS Discretionary Policy

Policy proposed: March 2016
Policy to be reviewed: March 2017

1 Statement of Intent

Severndale Specialist Academy is required to compose, publish and keep under review a policy relating to the exercising of a number of discretions under the LGPS 2014.

To ensure value for money and financial stability, Severndale Specialist Academy has adopted an approach that befits the structure and ethos of the Academy. In addition, the decisions regarding the discretionary powers have been taken to ensure the affordability of the scheme to all members.

2 Summary of Discretions

- Regulation 31: Whether to grant additional pension to a member of up to £6,675 pa (figure as at 1 April 2015)
- Regulations 16 (2) e and 16 (4) d: Whether to make regular or lump sum additional payment towards a members account through Shared Cost Additional Pension Contribution (SCAPC)
- Regulation 30 (6): whether to permit flexible retirement (pay all or some benefits) for staff aged 55 or over, who wish to reduce hours / pay grade and continue to work
- Regulation 30 (8): Whether to waive actuarial reduction on flexible retirement and whether to waive actuarial reduction on early retirement (age55+) for both active and deferred members and suspended tier 3 ill health pensions
- LGPS Transitional Provisions, Savings and Amendment Regulations 2014 Regulation 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.
- Regulation 22 (8 and (9): Whether to extend the 12 month time limit within which a scheme member who has previous local government service can aggregate their previous LGPS benefits with their new LGPS pension scheme.
- Regulation 100 (6): Whether to extend the12 month time limit within which a scheme member can transfer in non-local government pension rights
- Regulation 9 (3): Determination of an employee's LGPS contribution rate

3 Key roles and responsibilities

The Governors have overall responsibility for the implementation and monitoring of the LGPS Discretionary policy at Severndale Specialist Academy.

The Governors have responsibility for ensuring that the LGPS Discretionary policy, does not discriminate on any grounds, including but not limited to: Age, ethnicity, culture, religion, gender, disability or sexual orientation

The Governors have overall responsibility for handling complaints regarding this policy.

In the first instance, complaints should be directed to the Business Manager.

The Business Manager has responsibility for the day to day implementation and management of the LGPS Discretionary Policy at Severndale Specialist Academy. Staff members enrolled on the LGPS will be responsible for following the LGPS Discretionary Policy.

4 Discretions

4.1 Regulation 31: Whether to grant additional pension of up to £6,675 pa (figure as at 1 April 2015) to an active member or, within 6 months of leaving, to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency.

The LGPS 2014 regulations state the Severndale Specialist Academy may agree, at its own cost to award a member additional pension up to £6,675 per annum (figure as at 1 April 2015) for a maximum of 10 years.

Severndale Specialist Academy will not make use of this discretion except in exceptional circumstances where there is a clear financial advantage to or it is in the best interest of the Academy. Permission must be granted by the Finance and Personnel Committee.

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

4.2 Regulations 16 (2) e and 16 (4) d: Whether, where an active scheme member wishes to purchase extra annual pension of up to £6,675 (figure as at 1 April 2015) by making additional pension contributions (APCs) Severndale Specialist Academy will voluntarily contribute towards the costs of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC)

Specialist Academy will not make use of this discretion except in exceptional circumstances where there is a clear financial advantage to or it is in the best interest of the Academy. Permission must be granted by the Finance and Personnel Committee.

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

4.3 Regulation 30 (6): whether to permit flexible retirement (pay all or some benefits) for staff aged 55 or over, who wish to reduce hours / pay grade and continue to work

The LGPS 2014 Regulations state that Severndale Specialist Academy 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 Severndale Specialist Academy's employment.

Severndale Specialist Academy will not agree to flexible retirement except in circumstances where Severndale Specialist Academy considers it in its financial or operational interests to do so. Each case will be considered on the merits of the financial and / or operational business case put forward. Permission must be granted by the Finance and Personnel Committee.

4.4 Regulation 30 (8): Whether to waive actuarial reduction on flexible retirement and whether to waive actuarial reduction on early retirement (age55+) for both active and deferred members and suspended tier 3 ill health pensions

Where members chose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age, Severndale Specialist Academy will not agree to waive in whole or in part any actuarial reduction that would otherwise be applied to their benefits except in exceptional circumstances where Severndale Specialist Academy considers it in its financial or operational interests to do so or where there is compelling compassionate reasons for doing so.

Each case will be considered on the merits of the financial and / or business case put forward or on the merits of the compassionate case put forward. Permission must be granted by the Finance and Personnel Committee.

4.5 LGPS Transitional Provisions, Savings and Amendment Regulations 2014 Regulation 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.

Severndale Specialist Academy will not agree to apply the 85 year rule where members choose to voluntarily draw their benefits on or after the age of 55 and before the age of 60 except in exceptional circumstances where Severndale Specialist Academy considers it in its financial or operational interests to do so.

Each case will be considered on the merits of the financial and / or business case put forward. Permission must be granted by the Finance and Personnel Committee.

4.6 Regulation 22 (8 and (9): Whether to extend the 12 month time limit within which a scheme member who has previous local government service can aggregate their previous LGPS benefits with their new LGPS pension scheme

Severndale Specialist Academy will only consider an extension to the 12 month period to combine previous local government service where it can be shown that the member was not informed about the 12 month limit, or the member had applied but it has not been received by LGPS administrators.

Permission must be granted by the Finance and Personnel Committee.

4.7 Regulation 100 (6): Whether to extend the12 month time limit within which a scheme member can transfer in non-local government pension rights

Severndale Specialist Academy will only consider an extension to the 12 month period to transfer other pension rights where it can be shown that the member was not informed about the 12 month limit, or the member had applied but it has not been received by LGPS administrators.

Permission must be granted by the Finance and Personnel Committee.

4.8 Regulation 9 (3): Determination of an employee's LGPS contribution rate

An employee's band or contribution rate will be determined on joining the scheme and when there has been a contractual change to a member's salary or hours during the financial year.

5 Request to apply discretions

Requests to apply any of the pension discretions will be considered only in exceptional circumstances and will not be an automatic entitlement. An employee who wished to request a discretion should speak to the Academy Business Manager initially. A written request will be needed once the initial discussion has been had.

A meeting will be arranged to discuss the request, taking into account any strain to the service. A report will then be complied to be presented to the Finance and Personnel Committee who will make a decision whether or not to grant the request. The decision will be recorded in the minutes of the meeting.

Each case will be considered on the merits of the financial and / or operational business case, or will be considered on the merits of the compassionate case put forward and will require the approval of the Finance and Personnel Committee.

The employee will receive a written response within 1 month of the letter requesting the discretion being received by the Business Manager.

Appeals against any decision made must be put in writing to the Chair of Governors within 1 month of receiving the decision letter.

This policy will be reviewed regularly and updated with any amendments when necessary. A copy is also filed with the Shropshire Council LGPS.

Signed.....

Date .....24/5/16.....

Sabrina Hobbs, Principal

Signed.....L.K. Hough.....

Date .....25-5-16.....

Lyn Hough, Chair of Governors