



Lakelands Academy

Pension Discretions LGPS Career Average Revalued Earnings (CARE) Scheme Policy Statement

This Policy/Procedure has been agreed by the following professional associations and Trade Unions representing Teachers, Headteachers and Support Staff:

- National Union of Teachers
- National Association of Schoolmasters Union of Women Teachers
- Association of Teachers and Lecturers
- National Association of Headteachers
- Association of School and College Leaders
- Unison
- GMB

This policy has been adopted by the Board of Governors of

on

19th October 2017

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Pension Discretions - LGPS Career Average Revalued Earnings (CARE) Scheme - Policy Statement

1. Introduction

By virtue of regulation 60 of the LGPS Regulations 2013 and paragraph 2(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 Scheme employers are required to formulate, publish and keep under review a Statement of Policy in relation to five statutory discretions they may exercise in relation to members of the LGPS Career Average Revalued Earnings (CARE) Scheme. This policy also contains five recommended discretions.

Any amendments to this policy must be published and sent to the LGPS pension fund within one month of the date of the revisions to the policy were made.

This policy applies to all employees of the Academy with the exception, in relation to some of the discretions, to LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies and to former NHS Scheme members who are covered by regulation 23 of the LGPS (Transitional Provisions) Regulations 1997 who are advised to contact Shropshire County Pension Fund.

2. Statutory Discretions

2.1 Granting Annual Extra Pension

2.1.1 Whether, at full cost to the Academy, to grant extra annual pension of up to £6,755 per annum (2017/18 figure) to an active scheme 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.

2.1.2 The Academy will not make use of the discretion to grant extra annual pension of up to £6,755 per annum (2017/18 figure) to an active scheme 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 except in exceptional circumstances where the Academy considers it is in its financial or operational interests to do so.

Each case will be considered on its merits of the financial and/or operational business case put forward and will be subject to the approval of the Board of Governors, in consultation with the Headteacher.

2.2 Shared Cost Additional Pension Contribution (SCAPC)

2.2.1 Whether, where an active scheme member wishes to purchase extra annual pension of up to £6,6755 per annum (2017/18 figure) by making Additional Pension Contributions (APCs), the Academy will voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).

2.2.2 The Academy will only voluntarily contribute towards the cost of purchasing extra pension via a Shared Cost Additional Pension Contribution (SCAPC) in two situations, where;

- A member has a period of authorised unpaid leave of absence and elects, within 30 days of return to work to pay a SCAPC to cover the amount of pension 'lost' during that period of absence. The Academy will contribute 2/3rds of this cost to a SCAPC.

A decision on whether to extend the 30 day deadline will only be made in cases where the member can demonstrate that they had not been made aware of that deadline, and the election is made no more than 3 months after the member returns from the period of leave of absence or such longer period as the Academy may deem reasonable in any individual case. A decision on whether a member meets the above criteria will be taken by the Headteacher, in consultation with the Chair of the Finance/Personnel Committee, or equivalent.

- Secondly, in exceptional circumstances where the Academy considers it is in its financial or operational interests to do so. Each case to contribute to a SCAPC (and a decision on the amount to be contributed) will be considered on the merits of the financial and / or operational business case put forward.

2.3 Flexible Retirement

2.3.1 Whether to permit flexible retirement for staff aged 55 or over who, with the agreement of the Academy, reduce their working hours or grade and, if so, as part of the agreement:

- whether, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw if flexible retirement is agreed), to permit the member to choose to draw
 - all, part or none of the pension benefits they accrued after 31 March 2008 and before 1 April 2014, and / or
 - all, part or none of the pension benefits they accrued after 31 March 2014, and
- whether to waive, in whole or in part, any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age (NPA).

2.3.2 The Academy will not agree to flexible retirement except in circumstances where the Academy considers it is 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 and will require the approval of the Board of Governors, in consultation with the Headteacher.

The decision to permit an employee to receive immediate payment of their pension under flexible retirement will be authorised by the Headteacher and the Board of Governors.

2.4 Switching on the 85 Year Rule

2.4.1 Whether, as the 85 year rule does not (other than on flexible retirement) automatically apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60, to apply the 85 year rule to such voluntary retirements.

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

Each case will be considered on its merits of the financial and/or operational business case put forward and will be subject to the approval of the Board of Governors, in consultation with the Headteacher.

2.5 Early Retirement and Actuarial Reduction

2.5.1 Whether to waive any actuarial reduction for;

- active members voluntarily retiring on or after age 55 and before Normal Pension Age who elect under regulation 30(5) of the LGPS Regulations 2013 to immediately draw benefits, and
- deferred members and suspended Tier 3 ill health pensioners who elect under regulation 30(5) of the LGPS Regulations 2013 to draw benefits (other than on ill health grounds) on or after age 55 and before Normal Pension Age (NPA).

2.5.2 Where members choose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age the Academy will not agree to waive in whole, or in part, any actuarial reduction that would otherwise be applied to their benefits except in circumstances where the Academy considers it is in its

financial or operational interests to do so or there are compelling compassionate reasons for doing so.

Each case will be considered on its merits of the financial and/or operational business case, or will be considered on the merits of the compassionate case put forward and will be subject to the approval of the Board of Governors, in consultation with the Headteacher.

3. Recommend Discretions

3.2 Transfer of Deferred LGPS Benefit

3.2.1 Whether to extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in England or Wales following the cessation of an employment (or cessation of a concurrent employment) after 31 March 2014 may elect not to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment) if the member has not made an election to retain separate benefits within 12 months of commencing membership of the LGPS in the new employment (or within 12 months of ceasing the concurrent membership).

3.2.2 The Academy will only extend the 12 month time limit where;

- The Academy agrees that the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration;
- The Academy agrees that the available evidence indicates the member had made an election within 12 months of joining the LGPS but the election was not received by the Pension Fund administering authority;
- where the member has pre 1 April 2014 membership and the Academy agrees the available evidence indicates that, due to maladministration, the member had not been informed of the implications of having benefits aggregated and would, in consequence, suffer a detriment to their pension benefits (for example, where member's whole-time equivalent pensionable pay on commencing with the Academy is, in real terms after allowing for inflation, significantly less than the whole-time equivalent pensionable pay upon which the deferred benefits were calculated).

3.3 Transfer of Other Pension Rights

3.3.1 Whether, with the agreement of the Pension Fund administering authority, to permit a Scheme member to elect to transfer other pension rights into the LGPS if he / she has not made such an election within 12 months of joining the LGPS.

3.3.2 The Academy will only extend the 12 month time limit where;

- the member asked for transfer investigations to be commenced within 12 months of joining the LGPS but a quotation of what the transfer value will purchase in the LGPS has not been provided to the member within 11 months of joining the LGPS. The time limit for such a member to make a formal election to transfer pension rights into the LGPS will be extended to one month beyond the date of the letter issued by the Pension Fund administering authority notifying the Scheme member of the benefits the transfer will buy in the LGPS;
- the available evidence indicates the member made an election within 12 months of joining the LGPS, but the election was not received by the Pension Fund administering authority
- the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration.

3.4 Review of Pension Contribution Rate

- 3.4.1 How the pension contribution band/rate to which an employee is to be allocated will be determined on joining the Scheme and at each subsequent April, and the circumstances in which the employer will, in addition to the review each April, review the pension contribution band/rate to which an employee has been allocated consequent upon a material change which affects the member's pensionable pay in the course of a Scheme year (1 April to 31 March).

4. Request to Apply Discretions

- 4.1 Requests to apply any of the statutory and recommended pension discretions will be considered only in exceptional circumstances and will not be an automatic entitlement. An employee who wishes to request a statutory and recommended pension discretion must complete a Pension Discretions Employee Request Form (Appendix 1) and provide a copy to their Headteacher.
- 4.2 The Headteacher will arrange a meeting with the employee to discuss the request, taking account of any pension strain immediately payable by the academy. If the Headteacher approves, they will create a report to their Board of Governors detailing their approval, effective date and the implications operationally and financially upon the academy (see Appendix 2 Statutory Pension Discretions Headteachers Report).
- 4.3 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 Board of Governors, in consultation with the Headteacher.

5. Pension Appeals

- 5.1 In accordance with Regulation 73 of the Local Government Pension Scheme (Administration) Regulations 2013, the Academy is required to draw all employees' attention to the fact that, if they are dissatisfied with any decision in relation to their rights or liabilities under the Scheme, they may make an application to the Board of Governors's appointed Appeals Committee, as the Academy's committee appointed for resolving first stage disputes. An appeal must be made within six months of the event. Standard forms and guidelines are available from the Pension Team for this purpose.
- 5.2 If employees remain dissatisfied, they may apply for a reconsideration of the decision to the Head of Legal and Democratic Services, Shropshire Council. The final level of appeal would be to the Pensions Ombudsman.
- 5.3 In all instances, all initial concerns, or matters whereby an employee is not in agreement, should be referred to the individual who made the original decision. The Pension Scheme will also be available to advise you of your rights under the Scheme.

6. Monitoring and Review

The Board of Governors will monitor the outcomes and impact of this policy/procedure on an annual basis in conjunction with school representatives.

This procedure will be reviewed no later than 2 years by Human Resources in consultation with Trade Unions.

Appendices

Appendices

Appendix A: Pension Discretions Employee Request Form

Appendix B: Pension Discretions Headteacher Report

APPENDIX A

Pension Discretions – Employee Request Form

Before completing this form, please ensure that you have read the Pension Discretions Policy in conjunction with the Pension and Retirement Policy.

Employee's Name

.....

Employee

Number.....

Name of Manager

.....

Department

.....

Please indicate pension discretion request:

Please provide details of your request and when you wish this request to be effective from:

Name (signature) Date

APPENDIX 2

Pension Discretions - Headteachers Report

Employee Name:

Employee Number:

Please indicate employee's request:

Background

Include the following in your business case:

- *Current employment details – include current post, hours worked and current SCP details*
- *Provide details of the exceptional circumstances where the Academy considers it is in its financial or operational interests to permit this discretion*
- *Details regarding the strain (if any) on the pension fund, and the cost implications in relation to the team budget (if any)*

I agree to this request for [INPUT REQUEST] and that pension payments commence with effect from [DATE].

Headteacher:

.....Date.....
(Name and sign)

Chair of Personnel/Finance Committee:

.....Date.....
(Name and sign)

Chair of Governors:

.....Date.....
(Name and sign)