

**ARAMARK LIMITED**

<b>LOCAL GOVERNMENT PENSION SCHEME (LGPS) EMPLOYER DISCRETIONS POLICY</b>	
Approved by:	Emma Robson – Director of Operations HR (UK)
Implementation date:	04 May 2020

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1. **SECTION 1 - INTRODUCTION**

1.1 **Purpose**

The purpose of this Local Government Pension Scheme ("LGPS") Employer Discretions Policy (the "Policy") is to provide appropriate policy statements with regard to how Aramark will exercise the various discretions provided by the LGPS Regulations 2013.

1.2 **Scope**

This Policy applies to all current employees (unless otherwise stated) who are members of the Local Government Pension Scheme.

2. **SECTION 2 – POLICY STATEMENT**

2.1 To meet the requirements of the LGPS Regulations 2013, Aramark as an admission body has produced this Policy, setting out the criteria which Aramark will consider when reaching a decision on discretionary matters.

3. **SECTION 3 – EMPLOYER DISCRETIONS**

3.1 **Introduction**

The LGPS Regulations 1997 and the LGPS (Administration) Regulations 2008 provided increased scope for the exercise of discretionary functions by both administering and employing authorities. The LGPS Regulations 2013 further expand areas of discretion (which require discretions policy statements) in the following areas:

- 3.1.1 voluntary funding of additional pension via a Shared Cost Additional Pension Contribution ("SCAPC") contract, either by regular ongoing contribution or one off lump sum;
- 3.1.2 award of additional pension;
- 3.1.3 flexible retirement;
- 3.1.4 waiving all or part of any actuarial reduction/award of additional pension;
- 3.1.5 85 year rule.

3.2 **Shared Cost Additional Voluntary Contributions (*LGPS Regulations 2013 Reg 16(2) and Reg 16(4)(d)*)**

- 3.2.1 Where an active scheme member has decided to make Additional Pension Contributions ("APCs") to purchase extra pension benefits (up to £6,500 (or such higher amount prescribed by legislation) per annum), the employer can resolve to voluntarily contribute towards the cost of this.
- 3.2.2 Aramark does not consider contribution towards a shared cost additional voluntary pension contribution to be an essential part of its strategy for the recruitment and retention of employees.
- 3.2.3 Applications for the purchase of shared cost additional voluntary contributions, and consideration of any amount so payable, will only be considered where there is no financial detriment to Aramark, following consultation with the relevant LGPS fund's actuary.

3.2.4 Any applications considered shall have particular regard to Aramark's general policy on the employee remuneration package and whether the contribution to a shared cost additional voluntary contribution is in Aramark's interest.

### 3.3 **Award of Additional Pension (LGPS Regulations 2013, Regulation 31)**

Aramark may consider granting additional annual pension of up to £6,500 (figure at 1 April 2014, but is subject to an annual inflation linked revaluation) to members of staff who are:

3.3.1 an active member; or

3.3.2 a member who was an active member but who was dismissed by reason of redundancy, or business efficiency, or whose employment was terminated by mutual consent on grounds of business efficiency (but only within 6 months of the date on which the relevant member's employment ended).

The granting of additional annual pension will only be considered where there is no financial detriment to Aramark, following consultation with the relevant LGPS fund's actuary. Particular regard shall also be given to Aramark's general policy on the employee remuneration package, any agreement reached with the relevant member on their dismissal (if any), and other benefits that may be payable in respect of the member under the LGPS and whether the granting of such additional annual pension is in Aramark's interest.

### 3.4 **Flexible Retirement (LGPS Regulations 2013 (Regulation 30(6) and Regulation 30(8))**

3.4.1 Aramark will consider applications for all or some pension benefits to be paid if a member who has attained the age of 55 or over reduces their hours or grade of employment and continues to work ("flexible retirement"), having due regard to the particular merits and circumstances surrounding each case and decisions will be made on the basis of:

- (a) the operating requirements of Aramark;
- (b) Aramark's ability to meet the cost of granting such a request;
- (c) whether any demonstrable cost saving can be made in excess of potential savings available under any severance arrangements in place from time to time;
- (d) the scheme member's personal circumstances.

3.4.2 Applications for the payment of unreduced benefits on flexible retirement will only be considered where there is no financial detriment to Aramark, following consultation with the relevant LGPS fund's actuary. To the extent any application is considered, regard shall be had to the member's individual circumstances, the wider implications, including precedent and Aramark's budgeted costs in respect of the relevant LGPS fund/outsourcing contract.

### 3.5 **Waiving all or part of any actuarial reduction/award of additional pension (other than on Flexible Retirement) (LGPS Regulations 2013 Regulation 30(8) and LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 paragraph 2(3) of Schedule 2)**

3.5.1 Aramark will consider applications for early payment of pension benefits, where a member retires voluntarily after age 55 but before their normal retirement age, having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to:

- (a) the operating requirements of Aramark;
- (b) Aramark's ability to meet the cost of granting such a request;

- (c) whether any demonstrable cost saving can be made in excess of potential savings available under any severance arrangements in place;
- (d) the scheme member's personal circumstances.

3.5.2 Applications for the payment of unreduced benefits (including applications for the payment of unreduced benefits for service before 1 April 2014 on the grounds of compassion) will only be considered where there is no financial detriment to Aramark, following consultation with the relevant LGPS fund's actuary. To the extent any application is considered, regard shall be had to the member's individual circumstances, the wider implications, including precedent and Aramark's budgeted costs in respect of the relevant LGPS fund/outsourcing contract.

3.6 **85 year rule (LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 para 1(1)(c) of Schedule 2)**

It is Aramark's policy not to apply the 85 year rule to a scheme member (current or deferred) wishing to voluntarily draw benefits on or after 55 and before age 60.

4. **SECTION 4 – PROCEDURE**

- 4.1 Applications in respect of shared cost additional voluntary contributions ("AVCs"), additional pensions, flexible retirement or early payment of pension benefits should, in the first instance, be discussed with and/or submitted to the employee's/member's direct Line Manager for consideration.
- 4.2 Outcomes from such applications will be communicated in writing as soon as is reasonably possible, taking into account any externally influenced timescales, for example, requesting and receiving pension estimates from the LGPS.
- 4.3 If the decision is to decline the application, there is a right of appeal against this decision. In order to exercise this right of appeal, the scheme member must submit the specific grounds of their appeal, in writing, to the HR Director within 10 working days of receipt of the written outcome of the initial decision.
- 4.4 The HR Director will consider the grounds of the appeal and determine the outcome.
- 4.5 The outcome at this stage, within Aramark's internal procedure, is final.
- 4.6 Deferred members do not have this right of internal appeal.
- 4.7 If the scheme member is not satisfied with the outcome of the appeal, there might be a further right of review under the LGPS formal complaints procedure (officially called the Internal Dispute Resolution Procedure ("IDRP")).
- 4.8 Where the IDRP has been unable to resolve a scheme member's complaint, the member has the right to refer the case to the Pensions Ombudsman. The Ombudsman's decision is final and binding.

5. **SECTION 5 – DOCUMENT GOVERNANCE**

5.1 **Responsibility**

<b>Policy Owner</b>	Heather Roe – Senior HR Manager
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5.2 **Version Control and Change History**

<b>Version Number</b>	<b>Approval Date</b>	<b>Approved by</b>	<b>Amendment</b>
1.0	04 May 2020	Emma Robson	New Policy

5.3 **Document Review**

The Policy will be reviewed and maintained by Heather Roe and will be amended as appropriate in response to changes to the LGPS Regulations 2013, in order to meet the requirements placed on Aramark as an admission body participating in the LGPS or at the discretion of Aramark to take into account the prevailing circumstances and conditions.