



Marches Academy Trust

Marches Academy Trust

Local Government Pension Scheme Discretions Policy

DOCUMENT CONTROL

Policy Owner	Human Resources
Scope	All staff eligible to join the Local Government Pension Scheme (LGPS)
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Related Policies/Documents	

Policy control survey	Please complete this survey and provide feedback if you have had to use this policy https://forms.office.com/r/HMeZtB29Si
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1. Introduction

Under Local Government Pension Scheme regulations all employers who participate in the scheme must have a discretions policy. The policy must be published and kept under review. A copy must be sent to the pension fund administrator as should any amendments.

There are a number of discretions under the current and past versions of the regulations which apply to different groups of members depending upon when their membership of the scheme commenced.

This policy applies to the Local Government Pension Scheme only, separate regulations exist for the Teachers' Pension Scheme.

Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations 2013 in relation to active scheme members and members who cease active membership after 31 March 2014

<p><i>1. Whether, at full cost to The Marches Academy Trust, to grant extra annual pension of up to £6,675 (figure at 1 April 2015) 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.</i></p>	<p>The Marches Academy Trust will not make use of the discretion to grant extra annual pension of up to £6,675 (figure at 1 April 2015) 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 Marches Academy Trust 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.</p>
<p><i>2. Whether, where an active scheme member wishes to purchase extra annual pension of up to £6,675 (figure at 1 April 2015) by making Additional Pension Contributions (APCs), The Marches Academy Trust will voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).</i></p>	<p>The Marches Academy Trust will only voluntarily contribute towards the cost of purchasing extra pension via a Shared Cost Additional Pension Contribution (SCAPC) where:</p> <ul style="list-style-type: none"> - 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 an 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, 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 Marches Academy Trust may deem reasonable in any individual case.

	<p>A decision on whether the member meets the above criteria (and on whether the 3 month period referred to should be extended in any individual case) will be taken by the Executive Team and, where it is agreed that the conditions are met, The Marches Academy Trust will be required to contribute 2/3rds of the cost of buying back the ‘lost’ pension via a SCAPC.</p>
<p><i>3. Whether to permit flexible retirement for staff aged 55 or over who, with the agreement of The Marches Academy Trust, reduce their working hours or grade and, if so, as part of the agreement:</i></p> <p><i>-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:</i></p> <p><i>all, part or none of the pension benefits they accrued after 31 March 2008 and before 1 April 2014, and / or</i></p> <p><i>all, part or none of the pension benefits they accrued after 31 March 2014, and</i></p> <p><i>- 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)</i></p>	<p>The Marches Academy Trust will not agree to flexible retirement except in circumstances where The Marches Academy Trust considers it is in its financial or operational interests to do so. Each case will be considered by the Executive Team on the merits of the financial and / or operational business case put forward.</p>
<p><i>4. Whether, as the 85 year rule does not (other than on flexible retirement – see 3 above) 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.</i></p>	<p>The Marches Academy Trust 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 Marches Academy Trust considers it is in its financial or operational interests to do so.</p> <p>Each case:</p> <ul style="list-style-type: none"> - will be considered on the merits of the financial and / or operational business case put forward, and - will require the approval of the Executive Team

5. For:

- i) 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*
- ii) 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*

who:

- were not members of the LGPS before 1 October 2006 [Group 4 members], whether to:

- o waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits, if any, accrued before 1 April 2014, and / or*
- o waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2014*

-were members of the LGPS before 1 October 2006 and will be 60 or more on 31 March 2016 [Group 1 members], whether to:

- o waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April 2016, and / or*
- o waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2016*

were members of the LGPS before 1 October 2006 and will not be 60 or more on 31 March 2016 and will not attain age 60 between 1 April 2016 and 31 March 2020 [Group 3 members], whether to:

Where members choose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age, the Marches Academy Trust 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 Marches Academy Trust 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 the merits of the financial and / or operational business case put forward, or
- will be considered on the merits of the compassionate case put forward, and
- will require the approval of the Executive team including, where the reduction is only to be waived in part, approval for the amount of reduction to be waived.

<ul style="list-style-type: none"> ○ <i>waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April 2014, and / or</i> ○ <i>waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2014</i> <p><i>-were members of the LGPS before 1 October 2006 and will not be 60 or more on 31 March 2016 but will attain age 60 between 1 April 2016 and 31 March 2020 [Group 2 members], whether to:</i></p> <ul style="list-style-type: none"> ○ <i>waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April 2020, and / or</i> ○ <i>waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2020</i> 	
<p><i>6. Whether, how much, and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement entered into on or after 1 April 2014 and whether, how much, and in what circumstances to continue to contribute to any shared cost Additional Voluntary Contribution (SCAVC) arrangement entered into before 1 April 2014</i></p>	<p>The Marches Academy Trust will not enter into a shared cost AVC arrangement other than:</p> <ul style="list-style-type: none"> a) in exceptional circumstances in which case the decision to contribute, and the amount of the contribution, will be subject to the approval of the Executive Team, or b) where the scheme member enters into a SCAVC salary sacrifice arrangement.
<p><i>i) 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 on-going</i></p>	<p>The Marches Academy Trust will only 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</p>

<p><i>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).</i></p>	<p>not to have the deferred benefits aggregated with their new LGPS employment (or on-going concurrent LGPS employment):</p> <p>a) where The Marches Academy Trust agrees that the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration;</p> <p>b) where The Marches Academy Trust 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 (e.g. the election form was lost in the post); or</p> <p>c) where the member has pre 1 April 2014 membership and The Marches Academy Trust 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 Marches Academy Trust is, in real terms after allowing for inflation, significantly less than the whole-time equivalent pensionable pay upon which the deferred benefits were calculated).</p>
<p><i>ii) 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.</i></p>	<p>The Marches Academy Trust will only extend the 12 month time limit within which a scheme member must make an election to transfer other pension rights into the LGPS after joining the LGPS:</p> <ul style="list-style-type: none"> - 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;

	<p>where 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 (e.g. the election form was lost in the post);</p> <p>- where the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration.</p>
<p><i>i) 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).</i></p>	<p>The Marches Academy Trust will review all employees' contribution bands where there has been a contractual change to member salary of hours during the financial year. Contribution rates will not be reviews as a result of one-off payments.</p>
<p><i>ii) Whether or not, when calculating assumed pensionable pay when a member (other than a returning officer) is:</i></p> <ul style="list-style-type: none"> - on reduced contractual pay or no pay on due to sickness or injury, or - absent during ordinary maternity, paternity or adoption leave or paid shared parental leave, or during paid additional maternity or adoption leave (other than any part of that leave where the pensionable pay received is greater than the assumed pensionable pay for that part of the leave period), or - absent on reserve forces service leave, or - retires with a Tier 1 or Tier 2 ill health pension, or - dies in service <p><i>to include in the calculation 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.</i></p>	<p>In assessing Assumed Pensionable Pay (APP) The Marches Academy Trust will not, other than in exceptional circumstances, include in the calculation any 'regular lump sum payments' in which case the decision to include the 'regular lump sum payment' will be subject to the approval of the Executive Team.</p>

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

<p><i>1. Whether to grant applications for the early payment of deferred pension benefits on or after age 55 and before age 60 (on grounds other than permanent ill health).</i></p>	<p>Where a former scheme member who left the scheme between 1 April 2008 and 31 March 2014 requests early release of deferred benefits on or after age 55 and before age 60 (on grounds other than permanent ill health), approval will only be given on compassionate grounds. Each case will be considered on its merits and will be subject to the approval of the Executive Team. Subject to entry 2 below, the benefits payable in such circumstances will be subject to any actuarial reduction applicable under the relevant LGPS Regulations.</p>
<p><i>2. Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.</i></p>	<p>The Marches Academy Trust will consider an application to waive, on compassionate grounds, any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65. Each case will be considered on its merits and will be subject to the approval of the Executive Team.</p>
<p><i>3. Whether to grant applications for the early payment of a suspended Tier 3 ill health pension on or after age 55 and before age 60 (on grounds other than permanent ill health).</i></p>	<p>Where a former scheme member who left the scheme between 1 April 2008 and 31 March 2014 requests early release of deferred benefits on or after age 55 and before age 60 (on grounds other than permanent ill health), approval will only be given on compassionate grounds. Each case will be considered on its merits and will be subject to the approval of the Executive Team. Subject to entry 4 below, the benefits payable in such circumstances will be subject to any actuarial reduction applicable under the relevant LGPS Regulations.</p>
<p><i>4. Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to any suspended Tier 3 ill health pension benefits which are brought back into payment before age 65.</i></p>	<p>The Marches Academy Trust will consider an application to waive, on compassionate grounds, any actuarial reduction that would normally be applied to a suspended Tier 3 ill health pension which is brought back into payment before age 65. Each case will be considered on its merits and will be subject to the approval of the Executive Team.</p>