

Eaton Bray Academy



LGPS EMPLOYER'S DISCRETION POLICY STATEMENT v0.1

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LGPS Employer's Discretion Policy Statement

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AMENDMENT HISTORY

Issue	Author	Date	Description
V0.1	RM	16/07/2014	Policy as requested by Bedford Pension Scheme



Introduction

The Local Government Pension Scheme (LGPS) in England and Wales was amended from 1 April 2014. The new pension scheme rules require each employer within the LGPS to publish a statement with regards to how the employer will respond to discretionary aspects of the scheme rules and regulations.

This statement relates to the application of dispositions under:

- (a) the *Local Government Pension Scheme Regulations 2013*;
- (b) the *Local Government Pension Scheme Transitional Regulations 2014*; and
- (c) the Local Government Pension Scheme Regulations 1997 ('LGPS Regulations 1997') and the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 ('LGPS Benefits Regulations 2007'), which continue to have effect in so far as is necessary under Regulation 3 (Membership before 1 April 2014) of the LGPS Transitional Regulations 2014.

This statement will be published on the Eaton Bray Academy website and will also be made freely available to staff via the school intranet and in paper form, and applies to prospective members, current contributory members and pensioner members of the Local Government Pension Scheme and their dependants.

This statement will be reviewed and may change from time to time. You should obtain the latest version of this document before making any decisions in respect of your retirement provision, as the situation may have changed. You are advised to read this statement in conjunction with the information provided in respect of the benefits provided by the LGPS.

This policy does not convey any form of contractual rights for LGPS/staff members. Only the version of the policy that is 'current' at the time at which an event occurs will be the one applied for the purposes of LGPS benefits or membership.



In publishing this policy the scheme employer is required to pay due regard to the requirement that the formulated policy and its application and the extent to which the exercise of the discretions could lead to a serious loss of confidence in the public service.

Eaton Bray Academy will not use this policy for any ulterior motive, it will ensure that such discretions will be exercised reasonably and where a cost is incurred it will only be used when there is a future benefit to the employer for incurring the extra costs that may arise or be associated with the discretion. It will ensure that where exercised any discretions that incur additional costs, will be applied and recorded as appropriate.

Mrs. S Hounslow
Headteacher



CONTENTS

OVERVIEW	7
EMPLOYER DISCRETIONS	7
SHARED COST ADDITIONAL PENSION CONTRIBUTION.....	7
AWARDING ADDITIONAL PENSION	7
FLEXIBLE RETIREMENT	8
WAIVING ACTUARIAL REDUCTIONS	8
SWITCHING ON THE 85 RULE	9
FURTHER DISCRETIONS.....	10



Overview

As an employer, Eaton Bray Academy Trust has opted to maintain the terms and conditions of employment that were in place prior to 2011 when the school was under the control of Central Bedfordshire Council.

Our Human Resources and payroll are contracted out to Strictly Education, and any decisions made with regard to pension discretions would be made after consultation with them, and normally in accordance with any policy published by Central Bedfordshire Council.

Employer Discretions

Details of the discretions available are as follows:

1. Shared Cost Additional Pension Contributions - Regulation 16 (2)(e) and 16 (4)(d) of LGPS Regulations 2013

This allows an active member who is paying into the main scheme to enter into an arrangement to pay additional contributions, either by regular contributions (Regulation 16(2)(e)) or by a lump sum payment (Regulation 16(4)(d)). This may be funded in whole or in part by the employer.

Eaton Bray Academy will only exercise this discretion in exceptional circumstances or where there is a statutory duty to do so. This discretion will only be exercised after consultation with the Governing Body Personnel sub-committee and our HR/payroll providers and consideration of the costs that would apply.

2. Awarding Additional Pension - Regulation 31 of LGPS Regulations 2013

This allows employers to grant additional pension up to the maximum allowed by the scheme rules provided that the member is active or is within 6 months of leaving for reasons of redundancy or business efficiency or whose employment was terminated by mutual consent on the grounds of business efficiency.



Eaton Bray Academy will only exercise this discretion in exceptional circumstances or where there is a statutory duty to do so. This discretion will only be exercised after consultation with the Governing Body Personnel sub-committee and our HR/payroll providers and consideration of the costs that would apply.

3. Flexible Retirement - Regulation 30(6) of LGPS Regulations 2013 and Regulation 11(2) of LGPS Transitional Regulations 2014

This provision allows the employer to consent for a member who has attained the age of 55 to draw all or part of their retirement benefits (both pension and lump sum) whilst continuing in employment and fund membership provided that there has been:

- a reduction in hours, or;
- a reduction in grade.

Employers can choose to waive any reductions that apply under Regulation 30(8) – see point 4 (below)

Eaton Bray Academy will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Following consultations with the Governing Body Personnel sub-committee and our HR/payroll providers, decisions will be made on the merits of each case having particular regard to:

- the school's operating requirements
- the employer's ability to meet the cost of granting such a request
- the member's personal circumstances

4. Waiving Actuarial Reductions - Regulation 30(8) of LGPS Regulations 2013

The employer may waive the actuarial reductions applied to a member's benefits in respect of flexible retirement, unless 85 year rule protections exist. Employers can waive:

- all of the reductions in respect of pre 1 April 2014 benefits but only on compassionate grounds (paragraph 2 of Schedule 2 of the LGPS Transitional Regulations 2014);



- all or some of the actuarial reduction in respect of post 1 April 2014 on any grounds.

Where 85 year rule protections exist and the member has full or tapered protection the employer can waive all of the reductions but only on compassionate grounds for the service up to the date the 85 year rule protection ends (31 March 2016 (full) or 31 March 2020 (tapered)).

Eaton Bray Academy will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Following consultations with the Governing Body Personnel sub-committee and our HR/payroll providers, decisions will be made on the merits of each case having particular regard to:

- *the employer's ability to meet the cost of granting such a request*
- *the member's personal circumstances.*

Applications for the payment of unreduced benefits for service before 1st April 2014 on the grounds of compassion will be granted if:

- *in the employer's opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided justify approval and*
- *the employer can meet the cost of granting such a request.*

5. Switching on the 85 Rule – Regulation 1(1)(c) of the LGPS Transitional Regulations 2014

The employer can decide to “switch on” the 85 year rule to allow members to receive benefits either unreduced or with a smaller reduction. The employer will be responsible for meeting any strain costs relating to benefits being paid before age 60. If the employer does not “switch on” the 85 year rule the member’s benefits will be reduced to age 60 or the date they meet the 85 year rule if later.

Eaton Bray Academy will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Following consultations with the Governing Body Personnel sub-committee



and our HR/payroll providers, decisions will be made on the merits of each case having particular regard to:

- *the employer's ability to meet the cost of granting such a request*
- *the member's personal circumstances.*

Further Discretions

Further discretions under the LGPS Regulations 1997 and the LGPS Benefits Regulations 2007

There are also two other discretions for employers but these relate specifically to members who left before 1 April 2014.

Whilst the LGPS Regulations 2013 repeals the LGPS Regulations 1997 and the LGPS Benefits Regulations 2007 (in so far as they had not already been repealed), Regulation 3(1) of the LGPS Regulations 2013 allows for the LGPS Regulations 1997 and the LGPS Benefits Regulations 2007 to still have effect in so far as they relate to certain member benefits before 1 April 2014. As such, the other discretions still available for certain members only, are as follows:

1. Early Payment of Deferred Pensions for members who left before 1st April 2014 - Regulation 30(2) and 30(5) of the LGPS Benefits Regulations 2007 & Regulation 31(2) and Regulation 31(5) of the LGPS Regulations 1997

This Regulation allows employers to enable members who left the scheme before 1 April 2014, and who are over the age of 55, to take their benefits early. Under Regulation 30(5) employers can waive any reduction to benefits paid under that Regulation on compassionate grounds.

Eaton Bray Academy will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Following consultations with the Governing Body Personnel sub-committee and our HR/payroll providers, decisions will be made on the merits of each case having particular regard to:

- *the employer's ability to meet the cost of granting such a request*
- *the member's personal circumstances.*



Applications for the payment of unreduced benefits on the grounds of compassion will be granted if:

- *in the employer's opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided justify approval and*
- *the employer can meet the cost of granting such a request.*

N.B. Deferred members who left the Scheme before 1 April 2008 can still make application for the early payment of their deferred benefits after age 50 under LGPS rules. However, under HMRC rules such payments would be classed as 'unauthorised' and would be subject to a punitive tax charge.

2. Early Payment of Deferred Pensions for members who left before 1st April 2014 and have ceased to be entitled to a tier 3 ill health benefit - Regulation 30A(3) and 30A(5) of the LGPS Benefits Regulations 2007.

This regulation allows employers to enable members who have ceased to be entitled to a tier 3 ill health benefit, and who are over the age of 55, to take their benefits early. Under sub paragraph 5 of Regulation 30A employers can waive any reduction to benefits paid under that Regulation on compassionate grounds.

Eaton Bray Academy will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Following consultations with the Governing Body Personnel sub-committee and our HR/payroll providers, decisions will be made on the merits of each case having particular regard to:

- *the employer's ability to meet the cost of granting such a request*
- *the member's personal circumstances.*

Applications for the payment of unreduced benefits on the grounds of compassion will be granted if:

- *in the employer's opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided justify approval and*
- *the employer can meet the cost of granting such a request*