

LGPS DISCRETIONS POLICY

Learning Academies Trust

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CHANGES

Policy date	Summary of change	Author	Version	Review date
01/11/2016	Policy has been created.	Simon Spry	1.0	29/06/2020
07/07/2020	Policy ratified	Jonathan Bushby, Chair of the Trust Finance Committee	2.0	07/06/2023
04/07/2024	Policy reviewed	Kay Mabin CFO & Amy Bosworth, HR Lead	3.0	July 2027

1. LGPS 2013 & 2014 DISCRETIONS

1.1. Shared Cost Additional Voluntary Contribution Arrangement

Regulation R17 (1) and TP15 (1) (d) and A25 (3) and definition of SCAVC in RSch 1	Policy Decision
<p>An employer can choose to pay for or contribute towards a member's Additional Voluntary Contribution arrangement entered into on or after 1 April 2014 through a shared cost AVC.</p> <p>An employer can choose to pay for or contribute towards a member's Additional Voluntary Contribution arrangement entered into before 1 April 2014 through a shared cost AVC.</p>	Not approved

1.2. Flexible Retirement

Regulation R30 (6) and TP11 (2)	Policy Decision
<p>Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade.</p> <p>In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights. Please see Flexible Retirement Policy</p>	<p>A scheme member, who has reached the age of 55 or over and who reduces their working hours or grade of employment, may request that the employer agrees to payment of either all or part of their accrued benefits.</p> <p>Some examples of where an employee may be eligible to apply to take flexible retirement are as follows:</p> <ul style="list-style-type: none"> • Employee accepts a new job role on less hours or lower grade as part of a restructure. • Request by employee to reduce hours or move to lower graded post approved by employer.

	<ul style="list-style-type: none"> Reduction in grade following job evaluation review. <p>To ensure consistency with the Teachers Pension Regulations, the Learning Academies Trust will currently only consider release of benefits where there is a reduction in employee's gross pay of at least 20% and, will only agree where there is no cost to the employer.</p> <p>Will normally agree where there is no cost to the employer.</p>
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1.3. Waive of actuarial reduction

Regulation R30 (8) , TP3 (1), TPSch2, Para 2(1), B30 (5) and B30 (A) (5)	Policy Decision
<p>Employers have the power to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members' benefits paid on the grounds of flexible retirement.</p> <p>Employers may also waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members' benefits for deferred members and suspended tier 3 ill health pensioners who elect to draw benefits on or after age 60 and before normal pension age.</p> <p>Employers also have the power to waive, in whole or in part, the actuarial reduction applied to active members' benefits when a member chooses to voluntarily draw benefits on or after age 55 before age 60.</p>	<p>Not approved unless in exceptional circumstances. Exceptional circumstances will be reviewed by a member of the Trust senior leadership team and subsequently approved/not approved by the Trust Board.</p>

1.4. Power of employing authority to 'switch on' the 85 year rule

Regulation TPSch 2, para 2 (2) and 2 (3)	Policy Decision
<p>An employer can choose whether to switch on the 85 year rule for members who voluntarily retire on or after age 55 and before age 60.</p> <p>An employer can also choose to waive, on compassionate grounds, the actuarial reduction applied to benefits for a member voluntarily drawing benefits on or after age 55 and before age 60.</p>	<p>Not approved unless in exceptional circumstances. Exceptional circumstances will be reviewed by a member of the Trust senior leadership team and subsequently approved/not approved by the Trust Board.</p>

1.5. Power of employing authority to grant additional pension

Regulation R31	Policy Decision
An employer can choose to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (please see the Peninsula Pensions website for the current maximum additional pension purchase limit)	Not approved

1.6 Shared Cost Additional Pension Contribution

Reg 16(2)(e) & Reg 16(4)(d))	Policy Decision
<p>Where an active member wishes to purchase extra annual pension by making additional pension contributions (APCs)*, and employer can choose to voluntarily contribute towards the cost of purchasing that extra pension through a Shared Cost Additional Pension Contribution (SCAPC)</p> <p>*Please see the Peninsula Pensions website for the current maximum additional pension purchase limit</p> <p>Note: This discretion does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work (or a longer period if the employer allows) to pay a SCAPC to cover the amount of pension 'lost' during that period of absence. In those cases, the employer <u>must</u> contribute 2/3rds of the cost to a SCAPC; there is no discretion (regulation 15(5)of the LGPS Regulations 2013).</p>	Not approved

Policies not required but recommended:	Policy Decision
R22 (8) (b) - Whether to extend the 12 month option period for a member to elect that post 31st March 2014 deferred benefits should not be aggregated with a new employment	No
R22 (7) (b) - Whether to extend the 12 month option period for a member to elect that post 31st March 2014 deferred benefits should not be aggregated with an ongoing concurrent employment	No
R100 (6) - Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	No
R9(1) & R9(3) - Determine rate of employees' contributions and when the contribution rate will be assessed	The rate will be determined monthly depending on the pay received in the period.