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Local Government  
Pension Scheme  
Discretionary Policies  
1.0

Version



**LIGHTHOUSE**  
SCHOOLS PARTNERSHIP

## **LOCAL GOVERNMENT PENSION SCHEME - DISCRETIONARY POLICY**

Policy Approved by the Board of Trustees

Signed :   
Name : David Tossell

Date 28<sup>th</sup> February 2017

Chair of Board of Trustees

Authorised for Issue

Signed :   
Name : G.J. Lewis

Date 28<sup>th</sup> Feb 2017

Executive Principal

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## Document History

Version	Author/Owner	Drafted	Comments
1.0	Clare Sanders	Nov 2016	Reference Avon Pension Fund Website / based on Gordano School Policy

Date Policy Adopted	7 December 2016
Review cycle	Three Yearly
Review date	Autumn Term 2019

This Policy applies to all schools and employees within the Lighthouse Trust Partnership.

# LOCAL GOVERNMENT PENSION SCHEME - DISCRETIONARY POLICY

## Background

The LGPS (Miscellaneous) Regulations 2010 (Statutory Instrument 2010 No 2090) changed an Academy from being an LGPS Scheme Employer to the Proprietor of the Academy being the Scheme Employer.

This legislation defines a Proprietor of an Academy as being:  
*A proprietor of an Academy within the meaning of section 579 (general interpretation) of the Education Act 1996, who has entered into Academy arrangements within the meaning of section 1 (Academy arrangements) of the Academies Act 2010.*

Under the Local Government Pension Scheme the Lighthouse Schools Partnership as the Scheme Employer is required to publish and keep under review written policies outlining how the Scheme Employer will exercise a number of discretions under LGPS (Administration) regulations.

## Roles and Responsibilities

The Board of Trustees of the Lighthouse Schools Partnership has overall responsibility

- for the implementation and monitoring of the LGPS Discretionary Policy;
- for ensuring that the LGPS Discretionary Policy, does not discriminate on any grounds, including but not limited to age, ethnicity/national origin, culture, religion, gender, disability or sexual orientation;
- for handling complaints regarding this policy as outlined in the Trust's Grievance Procedure. In the first instance complaints should be directed to the Chief Operating Officer.

The Chief Operating Officer has responsibility for the day to day implementation and management of the school's LGPS Discretionary Policy.

## Discretionary Decisions 2008

### Regulation (12):

This regulation allows an employer to resolve to increase the total membership of a member who is currently paying contributions to the Scheme. The member's increase in

membership under this regulation (including additional membership in respect of different employments) must not exceed 10 years.

**Proposed Policy: Augmented membership would not normally be granted under regulation 12.**

**Regulation (13):**

This regulation allows an employer to resolve to award a member additional pension of not more than £5000 a year payable from the same date as his / her pension payable under any other provisions of the Benefit Regulations.

Additional pension may be awarded in addition to any increase of total membership resolved under Benefits Regulation 12.

**Proposed Policy: Additional pension benefits would not normally be granted under regulation 13.**

**Regulation (18):**

A member who has attained the age of 55 and with his / her employer's consent, reduces the hours he / she works, or the grade in which he / she is employed, may make a request in writing to the Avon Pension Fund to receive all or part of his / her benefits under the Benefits Regulations. However, payment of the benefits cannot be made without the employer's consent.

If the benefits are reduced in accordance with guidance issued by the Government Actuary, the employer may agree to waive, in whole or in part, any such reduction. The minimum retirement age is 55 for new scheme members from 1st April 2008 and 1st April 2010 for those who are members of the scheme on 31st March 2008. Therefore, from 1st April 2008 to 31st March 2010 the minimum retirement age will be 50 for those who are members of the scheme on 31st March 2008.

**Proposed Policy: An application will only be approved where there are no pension costs to the Lighthouse schools Partnership arising from the employee's flexible retirement.**

**Regulation (30):**

When a member leaves an employment before he / she is entitled to the immediate payment of retirement benefits, once he / she has attained the age of 55 he / she may choose to receive payment of them immediately.

A choice made by a member aged less than 60 is ineffective without the consent of his / her employer or former employer.

If the benefits are reduced in accordance with guidance issued by the Government Actuary, the employer may agree to waive, in whole or in part, any such reduction. The minimum retirement age is 55 for new scheme members from 1st April 2008 and 1st April 2010 for those who are members of the scheme on 31st March 2008. Therefore, from 1st April 2008 to 31st March 2010 the minimum retirement age will be 50 for those who are members of the scheme on 31st March 2008.

Regulation 30 allows the Lighthouse Schools Partnership to agree to the early release of pension benefits for former employees, who had left the Academy before they were

entitled to immediate payment of their pension benefits. Such payments should only be granted on exceptional compassionate grounds, but in these circumstances their pension benefits should not be reduced because of their early payment.

### **Regulation (30A):**

The Lighthouse Schools Partnership gives a choice of payment of pension to pensioner members with deferred benefits' to

- Grant an application for reinstatement of a suspended Tier 3 ill health retirement pension on or after age 55 and before 60
- To waive, on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits paid early

### **Discretionary Decisions 2014**

The following applies to the discretions which may be exercised on and after 1 April 2014 in relation to active scheme members and members who cease active membership after 31 March 2014.

#### **Regulation (16 (2) (e) ) (funding of additional pension : scheme member driven):**

This regulation allows funding of additional pension contributions up to a maximum of £6,500 (as at 1 April 2014) by the employer, paid by regular contributions.

**Proposed Policy:** An application would only be approved where there is a clear financial or administrative advantage to the school.

#### **Regulation (16 (4) (d) ) (funding of additional pension : scheme member driven):**

This regulation allows funding of additional pension contributions up to a maximum of £6,500 (as at 1 April 2014) by the employer, paid by lump sum.

**Proposed Policy:** An application would only be approved where there is a clear financial or administrative advantage to the school.

#### **Regulation (30 (6) ) (flexible retirement) :**

This regulation allows an active member who has attained the age of 55 or over, with the consent of the school, to continue to work on different terms and conditions e.g. to reduce their hours or grade (flexible retirement), and request to draw some or all of their pension entitlements.

**Proposed Policy:** An application would only be approved where there is a clear financial or administrative advantage to the school.

#### **Regulation (30 (8) ) (Waiving of actuarial reduction) :**

This regulation allows the waiving of actuarial reduction as a result of retiring before state pension age under the LGPS 2014.

**Proposed Policy:** An application would only be approved where there is a clear financial or administrative advantage to the school.

### **Regulation (31) (Award of additional pension):**

This regulation allows the school to grant additional pension to an active member; or within six months to a member terminated on redundancy or business efficiency (up to £6,500 per annum and Pensions Increase).

**Proposed Policy:**

The school will only consider doing so in cases where there is a clear financial or administrative advantage to the school.

**DECISION:**

To adopt these discretionary policies.

**Reasons:**

- a) Regulations 12, 13, 18, 30 and 30A (2008). These policies will ensure that the Lighthouse Schools Partnership honours the promise made of not making changes to terms of employment for staff who transferred to the Academy.
  
- b) These policies (2008 and 2014) will ensure that the Lighthouse Schools Partnership is not exposed to unnecessary pension costs.