





LIGHTHOUSE SCHOOLS PARTNERSHIP

PENSIONS DISCRETION POLICY

Policy Approved by the Trust Board	
Signed:  Name: Adele Haysom Chair of Board of Trustees	Date: 3 March 2026
Authorised for Issue	
Signed:  Name: Gary Lewis Chief Executive Officer (CEO)	Date: 3 March 2026

This policy applies to all schools and employees within Lighthouse Schools Partnership

Document History

Version	Author/Owner	Drafted	Comments
1.0	Clare Sanders	November 2016	Reference Avon Pension Fund Website / based on Gordano School Policy
1.1	Laura Payne	November 2025	Revision of policy

Review cycle	Three Years
Review date	March 2029

This policy applies to all schools and employees within Lighthouse Schools Partnership
This policy remains valid, and in operation, until a new or updated policy is published.

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1. Scope

- 1.1 This Policy applies to all Administering Authorities for the various Local Government Pension Scheme (LGPS) funds where the Lighthouse Schools Partnership is the 'Scheme Employer' in relation to the LGPS.
- 1.2 In accordance with Regulation 60 of the LGPS Regulations 2013 (the '2013 Regulations'), the Lighthouse Schools Partnership will prepare a written statement of its policy in relation to the exercise of its functions under Regulations:
- (a) 16(2)(e) and 16(4)(d) (funding of additional pension);
 - (b) 30(6) (flexible retirement);
 - (c) 30(8) (waiving of actuarial reduction); and
 - (d) 31 (award of additional pension).
- 1.3 In addition and in accordance with Paragraphs 2(2) of Schedule 2 to the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 the Lighthouse Schools Partnership will prepare a written statement on whether, in respect of benefits relating to pre 1st April 2014 membership, to 'switch on' the 85 year rule for a member who voluntarily retires (leaves employment) and elects to draw their benefits on, or after, the age of 55 and before the age of 60 thereby agreeing to waive in full, or part, any actuarial reduction applied to the member's benefits.
- 1.4 In accordance with Regulation 14 of the Local Government Pension Scheme (Discretionary Payments) (Injury Allowances) Regulation 2011, the Lighthouse Schools Partnership will formulate, publish and keep under review the Policy to be applied in the exercise of its discretionary powers to make any award under the

Regulations. The statements at Paragraphs 1.2., 1.3 and 1.4 are collectively the LGPS Statement.

- 1.5 The Lighthouse Schools Partnership will send a copy of our LGPS Statement to the Administering Authority and publish it on the internal website.
- 1.6 The Lighthouse Schools Partnership commits to keeping the LGPS Statement under review and making such revisions as appropriate following a change of policy. It will be reviewed at least every three years to ensure there is no additional financial detriment to our Schools.
- 1.7 Where a revision to the LGPS Statement is made, the Lighthouse Schools Partnership will send a copy of the revised version to the relevant Administering Authority within one month of any revision being approved. The Lighthouse Schools Partnership will publish the revised version.
- 1.8 In preparing, or reviewing and making revisions to the LGPS Statement, the Lighthouse Schools Partnership will have regard to the extent to which the exercise of its discretionary functions could lead to a serious loss of confidence in the public service.
- 1.9 Whilst it is compulsory for the employer to prepare the LGPS Statement, there are a number of other discretions available which do not require such a statement of policy to be made. The Lighthouse Schools Partnership has decided to make a statement of policies in relation to these matters.
- 1.10 In addition, the Lighthouse Schools Partnership has added to this policy a statement about discretions associated with the Teachers' Pension Scheme.
- 1.11 Whenever a discretion is exercised in relation to the LGPS or employees eligible to join the LGPS, to the Teachers' Pension Scheme (TPS) or employees eligible to join the TPS, the Lighthouse Schools Partnership does not intend to create any custom or practice binding our future exercise of that discretion.
- 1.12 The Lighthouse Schools Partnership has determined that where funding is not mandatory, the Trust will be mindful of a duty to use tax payers' money prudently and therefore discretion will not be agreed, unless the financial detriment is financially less to the School/Trust.

2. Teachers' Pensions Discretions

- 2.1 The Lighthouse Schools Partnership has discretions under Part V of the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 1997 to pay discretionary compensation by way of an additional pension and lump sum under the TPS.
- 2.2 This discretion will be exercised on a case-by-case basis by the Chief Financial and Operating Officer (CFOO) in conjunction with the Director of HR or CEO.

- 2.3 The Lighthouse Schools Partnership has determined that where funding is not mandatory, the Trust will be mindful of a duty to use taxpayers' money prudently and therefore discretion will not be agreed, unless the financial detriment is financially less to the School/Trust.

3. LGPS Employer Statement

The Lighthouse Schools Partnership commits to keep the LGPS Statement under review and publish the statement (and any amendments made thereto) in a place that is easily accessible to all employees eligible to join the LGPS and that it will provide to the Administering Authority the most up to date version of the statement at all times.

4. LGPS Regulations 2013

4.1 Regulation 16(2)(e) & (4)(d) Funding Additional Pension Contributions

- (a) Regulation 16 allows the Lighthouse Schools Partnership to choose to pay Additional Pension Contributions under one of three options:
- (i) Option 1: to buy extra pension;
 - (ii) Option 2: to buy "lost" pension for unpaid leave of absence or unpaid child related leave;
 - (iii) Option 3: to buy "lost" pension due to a strike.
- (b) The Lighthouse Schools Partnership has considered in what (if any) circumstances it would consider funding such Additional Pension Contributions in whole or in part.
- (c) The Lighthouse Schools Partnership has determined that, as such funding is not mandatory and being mindful of a duty to use taxpayers' money prudently, generally the Lighthouse Schools Partnership will not fund an Additional Pension Contribution however will consider each case on their merits.

4.2 Regulation 30(6) - Flexible Retirement

- (a) An active member who has attained the age of 55 or over who, with the employer's agreement, reduces their working hours or grade of employment may, with further consent, elect to receive immediate payment of all or part of the retirement pension to which they would be entitled in respect of that employment as if that member were no longer an employee in local government service on the date of the reduction in hours or grade (adjusted by the amount shown as appropriate in actuarial guidance issued by the Secretary of State.
- (b) As part of any agreement to permit flexible retirement decisions, the Lighthouse Schools Partnership will consider whether, in addition to the

benefits the member may have accrued prior to 1 April 2008 (which the member must draw), to permit the member to choose to draw all, part or none of the pension benefits they built up after 31 March 2008 and before 1 April 2014 and all, part or none of the pension benefits they built up after 1 April 2014.

- (c) It is the Lighthouse Schools Partnership policy to consider a request for flexible retirement under the LGPS on its merits which include:
 - (i) whether the financial cost is reasonable and sustainable, subject to clause 1.12;
 - (ii) whether there is no detrimental impact on the service.
- (d) A flexible retirement request must be approved by the Chief Financial and Operating Officer in conjunction with the Director of HR or the CEO. Appeals against this decision will be heard by an independent member of the Trust Senior Leadership Team and two other panel members consisting of either Trustees or Members of the School LGB. Appeals must be lodged within 10 working days of the decision being communicated and the expected timeframe for the hearing will normally be within a 2-month period.

4.3 Regulation 30(8) - Waiving of Actuarial Reduction

- (a) Where consent is given to flexible retirement under regulation 30(6) and for the immediate release of benefits in respect of an active member who is aged 55 or over, those benefits must be adjusted by an amount shown as appropriate in actuarial guidance issued by the Secretary of State (commonly referred to as actuarial reduction or early payment reduction).
- (b) The Lighthouse Schools Partnership has determined that consent will not be granted to waive the actuarial reduction (either in whole or in part) unless under exceptional circumstances, in line with clause 1.12.

4.4 Regulation 31 - Award of Additional Pension

- (a) the Lighthouse Schools Partnership has the authority to resolve to award:
 - (i) an active member, or
 - (ii) a member who was an active member but dismissed by reason of redundancy, or business efficiency, or whose employment was terminated by mutual consent on the grounds of business efficiency, additional annual pension of, in total (including any additional pension purchased by the Lighthouse Schools Partnership under Regulation 16), not more than the additional pension limit (£6,500 from 1st April 2014, subject to annual increase in line with the Pensions (Increase) Act 1971).

- (b) Any additional pension awarded is payable from the same date as any pension payable under other provisions of the Regulations from the account to which the additional pension is attached.
- (c) The resolution to award additional pension must be made within 6 months of the date that the member's employment ended.
- (d) Any such award of additional pension under Regulation 31 will be subject to approval by the Chief Financial and Operating Officer in conjunction with the Director of HR or CEO and in line with clause 1.12.

4.5 Regulation 9(1) & (3) - Contributions

- (a) an active member must pay contributions to the Scheme in respect of an employment at the contribution rate applicable to the annual pensionable pay that member is receiving in the pay period in which 1st April falls for that employment.
- (b) The Lighthouse Schools Partnership will normally set employee contribution costs at 1 April each year. However, where there is a material change affecting pensionable pay during the year, the Trust reserves the right to apply a contribution rate from a different band as permitted under Regulation 9(3).
- (c) The employee contribution rates from 1 April to 31 March each year and the cost to the employee can be located on the LGPS website - lgpsmember.org.
- (d) In the case of an active member whose membership commences after 1st April in any year, the member will pay contribution to the scheme at the contribution rate applicable to the annual pensionable pay the member receives at the commencement of that membership.
- (e) Where an active member changes employment or there is a material change which affects the member's pensionable pay during the course of a financial year, the Lighthouse Schools Partnership may determine that a contribution rate from a different band (as set out in Regulation 9(2)) should be applied.

4.6 Regulation 17(1) - Shared Cost Additional Voluntary Contributions

- (a) An active member may enter into arrangements to pay Additional Voluntary Contributions (AVCs) or to contribute to a Shared Cost Additional Voluntary Contribution arrangement (SCAVCs) in respect of an employment. The arrangement must be a scheme established under an agreement between the appropriate administering authority and a body approved for the purposes of the Finance Act 2004, registered in accordance with that Act and administered in accordance with the Pensions Act 2004.
- (b) The Lighthouse Schools Partnership is required to determine whether or not contributions to such an arrangement will be made on behalf of its active members.

- (c) The Lighthouse Schools Partnership has determined not to make contributions to any SCAVC arrangement unless under exceptional circumstances.

4.7 Regulation 22 (7) and (8) - Merging of Deferred Member Pension Accounts with Active Member Pension Accounts

- (a) A deferred member's pension account is automatically aggregated with their active member's pension account unless the member elects within the first 12 months of their new pension account being opened to retain their deferred member's pension account.
- (b) The 12-month election period may be extended at the discretion of the employer.
- (c) The Lighthouse Schools Partnership will agree to any request by an active member provided that there is no detrimental financial impact, or risk to the Trust.

4.8 Regulation 100(6) - Inward Transfers of Pension Rights

- (a) A request from an active member to transfer former pension rights from a previous arrangement into the LGPS as a result of their employment with an LGPS Employer must be made in writing to the administering authority and the Lighthouse Schools Partnership before the expiry of the period of 12 months beginning with the date on which the employee first became an active member in employment of the Trust (or such longer period as the Lighthouse Schools Partnership and the Administering Authority may allow).
- (b) The Lighthouse Schools Partnership determines that transfers will be accepted beyond the 12-month deadline where there is no detrimental financial impact on the Trust and subject to the administering authority's agreement.

4.9 Regulation 21(5) - Assumed Pensionable Pay

- (a) The Lighthouse Schools Partnership is required to determine whether or not to include in the calculation of assumed pensionable pay, any 'regular lump sum payment' received by an LGPS member in the 12 months preceding the date that gave rise to the need for an assumed pensionable pay figure to be calculated.
- (b) Assumed pensionable pay is calculated when a member:
 - (i) enters a period of reduced contractual pay or no pay due to sickness or injury;
 - (ii) is absent during a period of child related leave;

- (iii) is absent in reserve forces service leave;
 - (iv) retires with an entitlement to a Tier 1 or Tier 2 ill health retirement;
or
 - (v) dies in service.
- (c) The Lighthouse Schools Partnership has determined that each case will be examined on its own merits and a decision will be made, subject to affordability and individual case, in line with clause 1.12 by the Chief Financial and Operating Officer in conjunction with the Director of HR or CEO.

4.10 Regulation 19(2) - Exclusion of Rights of Return of Contributions

- (a) Under certain circumstances LGPS members are entitled to a refund of contributions.
- (b) However, when a person leaves the Lighthouse Schools Partnership's employment because of an offence of a fraudulent nature or because of a grave misconduct in connection with that employment, the Lighthouse Schools Partnership may direct payment out of the Pension Fund of a sum equal to all, or part of, the member's contributions to the member, the member's spouse, civil partner, cohabiting partner or any of the member's dependents.
- (c) Consideration will be given to any such situation on a case-by-case basis and in line with clause 1.12, a decision will be made by the Chief Financial and Operating Officer in conjunction the Director of HR or CEO.

4.11 Regulation 20(1)(b) - Meaning of Pensionable Pay

Only benefits explicitly referred to in an LGPS member's contract of employment count as pensionable emoluments.

4.12 Regulation 37(3) & (4) - Tier 3 Ill Health Retirement

- (a) When an LGPS member becomes permanently incapable of undertaking the duties of their employment and the Independent Registered Medical Practitioner (IRMP) certifies a Tier 3 ill health retirement, the member's accrued benefits come into payment immediately, without enhancement, for up to a maximum period of three years.
- (b) The LGPS member is required to inform the Lighthouse Schools Partnership upon starting any employment whilst those benefits are in payment and to answer questions about the employment status relating to pay and hours worked.
- (c) If it is determined that the LGPS member has entered into gainful employment or the LGPS member fails to answer the questions raised, the Lighthouse Schools Partnership may determine to cease payment of the Tier 3 benefit

and to recover any payment made in respect of any period it determines that the member has been in gainful employment.

- (d) Gainful employment means paid employment for at least 30 hours each week for a period of at least 12 months.
- (e) The Lighthouse Schools Partnership will cease such payments and will seek to recover any payments made during the period of gainful employment.

4.13 Regulation 38(3) & (6) - Early Payment of Retirement Pension on Ill Health Grounds: Deferred and Deferred Pensioner Members

- (a) A deferred member (or deferred pensioner member) who, because of ill health or infirmity of mind or body, becomes permanently incapable of discharging efficiently the duties of the employment they were engaged in at the date they became a deferred member and who is unlikely to be capable of undertaking gainful employment before normal pension age, or for at least three years, whichever is sooner, may ask to receive immediate payment of their deferred benefits regardless of their age.
- (b) Under these circumstances the deferred member must make a request in writing to the Lighthouse Schools Partnership as their former LGPS employer who, having obtained a certificate from their Independent Registered Medical Practitioner (IRMP) setting out their opinion as to whether or not the former employee meets the qualifying conditions for 'ill health retirement', may or may not agree to the release of the deferred benefits.
- (c) It is the Lighthouse Schools Partnership's policy to consider each request on its merits and in line with clause 1.12. A decision will be made by the Chief Financial and Operating Officer in conjunction with the Director of HR or CEO.

4.14 Regulations 91, 92, 93 & 95 - Forfeiture of Pension Rights After Conviction for Employment Related Offences etc

- (a) If an LGPS member is convicted of an offence and leaves the Lighthouse Schools Partnership's employment because of the offence they have committed, it is the Lighthouse Schools Partnership's policy to apply to the Secretary of State for the issue of a forfeiture certificate.
- (b) Where such a forfeiture certificate is issued, the Lighthouse Schools Partnership may direct that any of the member's rights under the Regulations are forfeited and will do so. A notice of the decision, to make a direction on the member, will be served.
- (c) The Lighthouse Schools Partnership can also decide whether to direct interim payments of the Pension Fund to anyone that they consider to be entitled to receive payment of a benefit from the LGPS as if no forfeiture direction was given.

- (d) the Lighthouse Schools Partnership can also consider whether or not to recover from the Pension Fund any monetary obligation or, if less, the value of the member's benefits, where the obligation was incurred as a result of a grave misconduct or a criminal, negligent or fraudulent act or omission in connection with the employment.
- (e) It is the Lighthouse Schools Partnership's policy is to consider each issue on its merits and in line with clause 1.12. A decision will be made by the Chief Financial and Operating Officer in conjunction with the Director of HR or CEO.

5. Local government pension scheme (Transitional Provisions and Savings) Regulations 2014 Schedule 2 - paragraphs 2 and 3

- 5.1 Where an LGPS member retires or leaves employment and elects to draw their benefits at or after the age of 55 and before the age of 60 those benefits will be actuarially reduced unless the Lighthouse Schools Partnership agrees to meet the full or part cost of those reductions as a result of the member otherwise being protected under the 85 year rule as set out in previous LGPS Regulations. <https://www.lgpsmember.org/more/eightyfive.php>
- 5.2 It is the Lighthouse Schools Partnership's policy not to 'switch on' the 85-year rule which would allow a member to receive fully or partly unreduced benefits, unless under exceptional circumstances.
- 5.3 It is the Lighthouse Schools Partnership's policy to consider each request on its merits and in line with clause 1.12. A decision will be made by the Chief Financial and Operating Officer in conjunction with the Director of HR or CEO.

6. Local government (discretionary payments) injury allowance regulations 2011

6.1 Regulation 4(5) Discretionary Allowance for Permanent Incapacity

In the event that an employee to whom an allowance for permanent incapacity is paid secures gainful employment the Lighthouse Schools Partnership will suspend or discontinue the allowance.

6.2 Regulation 6(1) Allowance for Pensioners

The Lighthouse Schools Partnership will not exercise the discretion to pay an allowance on cessation of employment under this regulation but will consider cases on their merits and in line with clause 1.12.

6.3 Regulation 7(2) Death Benefits

The Lighthouse Schools Partnership will not make an allowance or payment of death benefits, other than the benefits due from LGPS as per the scheme regulations.

7. Local government (discretionary compensation) early termination of employment regulations 2006

7.1 Regulation 5 Statutory Redundancy Payments

The Lighthouse Schools Partnership will not increase the amount of redundancy payments to an employee's pension benefits.

7.2 Regulation 6 Discretionary Compensation

(a) Where an employee eligible to join the LGPS is made redundant and does not receive additional payments under the 2013 Regulations or additional membership under the Regulations, the Lighthouse Schools Partnership has the discretion to offer up to 104 weeks' compensation.

(b) The Lighthouse Schools Partnership will not exercise this discretion to pay any compensation payments.

7.3 Regulation 74 - Applications for Adjudication of Disagreements

The Chief Financial and Operating Officer is appointed as Adjudicator under Regulation 72 of the LGPS Regulations 2013 to consider applications from any person whose rights or liabilities under the LGPS are affected by. Where the CFO has made the first-instance decision, the CEO will act as Adjudicator:

(a) a decision under regulation 72 (first instance decisions); or

(b) any other act or omission by the Lighthouse Schools Partnership;

(c) and to make a decision on such applications.

8. Equality Impact Assessment Statement

The Lighthouse Schools Partnership has carefully considered and analysed the impact of this policy on equality and the possible implications for employees with protected characteristics, as part of our commitment to meet the Public Sector Equality Duty (PSED) requirement to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations.

9. Related Policies

- Pay Policy
- Redundancy Policy
- Capability Policy
- Flexible Working Policy
- Any other relevant HR policies