



LGPS Discretions POLICY

1 Sponsors' Statement

- 1.1 All The Bishop of Winchester Academy policies exist to support the Sponsors' vision, Christian ethos and values that are embedded in the day-to-day and long term running of the Academy. Each policy evidences the commitment of the Sponsors to the principles and values of honesty, respect, hospitality, compassion, love, forgiveness, self-discipline, creativity and hope. This policy contributes to the development of young people and the community through all Academy activities and in particular through the specialism of Enterprise and Innovation, and Maths.

2 Introduction

- 2.1 Under the Local Government Pension Scheme (LGPS) (Benefits, Membership and Contributions Regulations 2008), the Academy is required to compose, publish and keep under review a policy statement in relation to the exercising of a number of discretions under the LGPS.
- 2.2 To ensure value for money and financial stability, the Academy has adopted an approach that befits the size, finances and current staffing levels at the Academy. In addition, the decisions regarding the discretionary powers have been taken to ensure the affordability of the scheme to all members.
- 2.3 The Academy is committed to equality and this policy has been created in accordance with anti-discrimination laws, the Equality Act 2010 and with regard to Age Regulations.
- 2.4 In addition to the above, the Academy is required to adhere to a number of provisions and to create and implement effective procedures for administration of the LGPS scheme.
- 2.5 These duties and procedures are detailed in this policy.

3 Statement of Policy required

- 3.1 The employing Body, The Bishop of Winchester Academy referred to as "TBOWA", has resolved that the following Discretions available in the Statutory Instrument, should be implemented in compliance with the Local Government Pension Scheme Regulations as set out below:
- 3.2 The Local Government Pension Scheme Regulations 2013 [R]
The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 [TP]
The Local Government Pension Scheme (Administration) Regulations 2008 [A]
The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [B]
The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [T]
The Local Government Pension Scheme Regulations 1997 (as amended) [L]
The Local Government Pension Scheme (Miscellaneous Regulations) 2012 [E].

4 Policy decisions - PART A (where formulation of policy is compulsory)

4.1 **Regulation 16 [R] Power of employing authority to contribute to a shared cost APC scheme**
Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.

Although TBOWA does not consider contributions to a shared cost additional voluntary contribution scheme to be an essential part of its strategy for the recruitment and retention of employees, where an active scheme member wishes to purchase extra annual pension up to £6,500 (as at 1st April 2014), TBOWA may contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC) in exceptional circumstances.

TBOWA will only consider doing so in cases where there is a clear financial or administrative advantage to the Academy, and following consultation with the Dorset County Pension Fund's Actuary.

4.2 **Sch 2, para 2 (2) & (3) [TP] Power of employing authority to apply 85 Year Rule before age 60**
Whether to "switch on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits from pre 01/04/2014 membership where the employer has "switched on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

If the benefits on flexible retirement would normally be reduced for early payment, the Academy may agree, at its own cost, to waive all or part of the reduction.

TBOWA will only consider doing so in cases where there is a clear financial or administrative advantage to the Academy, and following consultation with the Dorset County Pension Fund's Actuary.

4.3 **Regulation 30 (6) & (8) [R] and 11 (2) [TP] Flexible retirement - Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).**
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.

TBOWA may agree, at its own cost (if there is any) for an active scheme member aged 55 or over, who reduces their grade, hours of work, or both, to receive all or part of their LGPS benefits immediately, even though they have not left the Academy's employment.

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

If the benefits on flexible retirement would normally be reduced for early payment, the Academy may agree, at its own cost, to waive all or part of the reduction.

Again, TBOWA will only consider doing so in cases where there is a clear financial or administrative advantage to the Academy.

4.4 **Regulation 30 (8) [R] Power of employing authority to waive actuarial reduction -**
Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.

If the benefits on flexible retirement would normally be reduced for early payment, the Academy may agree, at its own cost, to waive all or part of the reduction.

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

4.5 **Regulation 31 [R] Power of employing authority to grant additional pension Whether 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 (by up to £6,500 p.a.).**

TBOWA may agree, at its own cost, to award a member an additional pension up to a maximum of £6,500 per annum.

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

4.6 **Regulation 12 [B] Power of employing authority to grant additional pension - Whether, for a member leaving on the grounds of redundancy or business efficiency on or before 31 March 2014, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving. DISCRETION SPENT ENTIRELY AFTER 30 SEPTEMBER 2014.**

The Academy may agree, at its own cost, to award a member additional membership up to a maximum of ten years.

The Academy will only consider doing so in cases where there is a clear financial or administrative advantage to the Academy, and following consultation with the Dorset County Pension Fund's Actuary.

4.7 **Regulation 30 (2) & (5) [B] Power of employing authority to grant early payment of deferred benefits Regulation 30 (2) Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60. Regulation 30 (5) Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under Regulation 30(2) [B].**

The Academy may agree, at its own cost, for a member age 55 or over and before age 60, who leaves its employment without an automatic entitlement to immediate LGPS benefits, to receive their benefits immediately.

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

If the benefits payable in such cases would normally be reduced for early payment, the Academy may agree, at its own cost, to waive all or part of the reduction if there were compassionate grounds for doing so.

The Academy will consider any cases arising on their individual merits.

Decisions regarding the waiving of actuarial reductions are delegated to the Principal, Finance Director, and the Governing Body.

- 4.8 **Regulation 30A (3) & (5) [B]** Power of employing authority to grant early payment of suspended tier 3 ill health pension Regulation 30A (3) Whether to grant application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60. Regulation 30A (5) Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under Regulation 30A [B].

For current employees – where there is no financial or operational disadvantage to the Academy, or where unforeseen circumstances might result in the employee suffering personal hardship, a request for early payment of benefits will normally be accepted.

It will require the prior recommendation of the Principal, Finance Director, HR Manager and the Governing Body.

For former employees – where there is no financial or operational disadvantage to the Academy, a request for early payment of deferred benefits will normally be accepted (other than on the grounds of permanent ill-health or compassion).

It will require the prior recommendation of the Principal, Finance Director, HR Manager and the Governing Body.

- 4.9 **Regulation 31 (2) & (5) [L]** Power of employing authority to grant early payment of deferred pension Regulation 31 (2) Grant application from a post 31.03.98 / pre 01.04.08 leaver or from a councillor for early payment of benefits on or after age 50 / 55 and before age 60. Regulation 31 (5) Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under Regulation 31 (2).

Only in cases where unforeseen circumstances will result in severe and lasting personal hardship, along with evidence supporting the extenuating circumstances, will a request for early non-reduced payment of benefits on compassionate grounds from a retiring employee be considered. Each case will be assessed on its own merits and will be subject to the financial viability of the Academy.

It will require the prior recommendation of the Principal, Finance Director, HR Manager and the Governing Body.

- 4.10 **Regulation 31 (7A) [L]** Power of employing authority to grant early payment of deferred pension for pre 01.04.08 employee optants out and councillors. Councillor optant outs and pre 01.04.08 employee optants out only to get benefits paid from NRD if employer agrees.

Only in cases where unforeseen circumstances will result in severe and lasting personal hardship, along with evidence supporting the extenuating circumstances, will a request for early non-reduced payment of benefits on compassionate grounds from a retiring employee be considered. Each case will be assessed on its own merits and will be subject to the financial viability of the Academy.

It will require the prior recommendation of the Principal, Finance Director, HR Manager and the Governing Body.

5 Policy decisions - PART B (where formulation of policy is not compulsory)

- 5.1 Regulation 9 (1) & (3) [R] Contributions payable by active members Employers determine the contributions payable by members by attributing each member to one of the contribution bands set out in Regulation 9 (2) [R]. Employers have the capacity to re-attribute the specific pay band (upwards or downwards) where there is a material change in a member's contractual terms.

Contributions payable will only be governed by the rates and bands as determined by the Local Government Pension Scheme administered by Dorset County Pension Fund.

TBOWA will not re-attribute any specific pay band upwards or downwards regardless of any material change in an active scheme member's contractual terms.

- 5.2 Regulation 22 (7) (b) and (8) (b) [R] Facility to extend time limits for active members to not aggregate deferred periods of LGPS membership Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment or ongoing concurrent employment.

The Academy will only consider extending the time limit of 12 months for employees to transfer the value of a previous pension scheme if there is clear evidence that they had not been informed of, or could not reasonably have known, the time limit.

The Academy will also consider extending the time limit for late inward transfers where there is evidence of significant administrative delays.

Decisions regarding the acceptance of late inward transfers are delegated to the Principal, Finance Director and the Governing Body.

- 5.3 Regulation 100 (6) [R] Facility to extend time limits for active members to request a transfer of previous pension rights into the LGPS Where an active member requests to transfer previous pension rights into the LGPS, the member must make a request within 12 months of becoming an active member. Employers, with agreement of Administering Authority, may allow a longer period than 12 months. JOINT DISCRETION WITH ADMINISTERING AUTHORITY

The Academy will only consider extending the time limit of 12 months for employees to transfer the value of a previous pension scheme if there is clear evidence that they had not been informed of, or could not reasonably have known, the time limit.

The Academy will also consider extending the time limit for late inward transfers where there is evidence of significant administrative delays.

Decisions regarding the acceptance of late inward transfers are delegated to the Principal, Finance Director and the Governing Body.

- 6.1 The Bishop of Winchester Academy in exercising the discretionary powers available under the above Regulations has acted with due prudence and propriety and considered the financial impact of applying the discretions.

These policies may be subject to review from time to time. Any subsequent change in this Policy Statement will be notified to affected employees.

- 6.2 This policy will be reviewed annually by the Academy Leadership Team as part of the Academy annual review process.
- 6.3 This policy will be reviewed and submitted to the Governing Body for its review every year. This will allow Governors to assess its implementation and effectiveness.

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