




POLICY DOCUMENT

LGPS Discretions Policy

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Document Control	
Title	LGPS Discretions Policy
Purpose	To document the Trust's decisions in relation to the 2014 Local Government Pension Scheme and the following employer discretions.
Supersedes	Previous version
Amendments	Updates to Trust discretion
Related Policies/Guidance	
Author	Sheryl Cardwell
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Signature of Chair	
<p>Wise Owl Trust is a Multi Academy Trust Registered in England and Wales number 8053288 Registered Office: Trust House, c/o Seymour Road Academy, Seymour Road South, Clayton, Manchester, M11 4PR</p> <p>The Wise Owl trust has a number of Trust-wide policies which are adopted by all the academies in the Trust to ensure an equitable and consistent delivery of provision. The Trust Board has responsibility for the operation of all academies and the outcomes of all students; however, responsibility is delegated to the Local Governing Body of each school via the Scheme of Delegation.</p> <p>Within our policies reference to:</p> <ul style="list-style-type: none"> • Governing Body/Governors relate to the members of the Local School Committees representing the Trust Board. • School/Academy will be used throughout the policies in reference to Academies within the Trust. • Headteacher/Principal will be used interchangeably throughout policies and will relate to the Principal of the Academy. 	



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1. Introduction

The Local Government Pension Scheme (LGPS) in England and Wales was amended from 1 April 2014 so that benefits accruing for service after 31 March 2014 will now accrue on a Career Average Re-valued Earnings (CARE) basis, rather than on the previous final salary basis.

The provisions of the CARE scheme, together with the protections for members' accrued pre 1 April 2014 final salary rights, are contained in the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.

As a result of the changes, Scheme employers participating in the LGPS have to formulate, publish and keep under review a Statement of Policy on certain discretions which they have the power to exercise in relation to members of the CARE Scheme.

Wise Owl Trust's policy decisions in relation to the 2014 Local Government Pension Scheme are outlined in the following sections and cover:

- Contributing to Shared Cost Additional Pensions Contract (SCAPC)
- Flexible retirement
- Waiving actuarial reductions on flexible retirement
- Waiving actuarial reductions where benefits drawn voluntarily before NPA
- Switching on the 85 rule
- Waiving actuarial reductions where employer has switched on 85 rule
- Awarding extra pension
- Awarding additional membership
- Early payment of pension
- Waiving actuarial reductions where benefits drawn early under B30
- Early payment of pension: Pensioner member with deferred benefits
- Waiving actuarial reductions where benefits drawn early under B30A
- Early payment of pension
- Waiving actuarial reductions where benefits drawn early
- Opting out
- Early payment of pension

Sections 3 & 4 do not apply to Wise Owl Trust employees
Section 6 - we will refer to the administering authority policy

2. LPGS Table of Discretion

Section 1 <ul style="list-style-type: none"> • LGPS Regulations 2013 [SI 2013/2356] [R] • LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] [TP] • LGPS (Administration) Regulations 2008 [SI 2008/239] [A] • LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended) [SI 2007/1166] [B] • LGPS (Transitional Provisions) Regulations 2008 [SI 2008/238] [T] • LGPS Regulations 1997 (as amended) [SI 1997/1612] [L] 		Discretionary policies from 1 April 2014 in relation to post 31 March 2014 active members (excluding councillor members) and post 31 March 2014 leavers (excluding councillor members)	
Regulation	Discretion	Exercised By	Employer Policy
R16(2)(e) & R16(4)(d)	Whether, how much, and in what circumstances to contribute to a shared cost additional pension cost (APC) scheme.	Employer	The Trust may exercise discretion where there is an economic benefit to the Trust.
R30(6) & TP11(2)	Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).	Employer	<p>The Trust is committed to providing flexible employment options for its staff and does not automatically grant staff aged 55 or over to flexibly retire and immediately access pension payments and benefits.</p> <p>Requests will be considered and assessed on their merits taking account of the financial and operational interests of the Trust.</p>

R30(8)	Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.	Employer	Requests will be considered and assessed on their merits taking account of the financial and operational interests of the Trust.
R30(8)	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member only has post 31 March 2014).	Employer	The Trust will not normally exercise this discretion except where there is a clear financial or operational advantage to the Trust.
TPSch 2, para 1(2) & 1(1)(c)	Whether to “switch on” the 85-year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (other than on the grounds of flexible retirement).	Employer	The Trust will not normally exercise this discretion except where there is a clear financial or operational advantage to the Trust.
TP3(1), TPSch 2, para 2(1), B30(5) & B30A(5)	Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1 April 2014 and post 31 March 2014 membership): a) on compassionate grounds (pre 1 April 2014 membership) and / or, in whole or in part on any grounds (post 31 March 2014 membership) if the member was not in the Scheme before	Employer	The Trust will not normally exercise this discretion except where there is a clear financial or operational advantage to the Trust.

	<p>1 October 2006,</p> <p>b) on compassionate grounds (pre-1 April 2014 membership) and / or, in whole or in part on any grounds (post 31 March 2014 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will not attain 60 between 1 April 2016 and 31 March 2020 inclusive,</p> <p>c) on compassionate grounds (pre 1 April 2016 membership) and / or, in whole or in part on any grounds (post 31 March 2016 membership) if the member was in the Scheme before 1 October 2006 and will be 60 by 31 March 2016,</p> <p>d) on compassionate grounds (pre-1 April 2020 membership) and / or, in whole or in part on any grounds (post 31 March 2020 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will attain 60 between 1 April 2016 and 31 March 2020 inclusive.</p>		
<p>R31</p>	<p>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. on 1 April 2014 - this figure is inflation proofed annually).</p>	<p>Employer</p>	<p>The Trust will not generally exercise this discretion.</p>

Section 2		Discretionary policies in relation to scheme members (excluding councillor members) who ceased active membership on or after 1 April 2008 and before 1 April 2014	
Regulation	Discretion	Regulation	Discretion
<ul style="list-style-type: none"> • LGPS (Administration) Regulations 2008 [SI 2008/239] [A] • LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended) [SI 2007/1166] [B] • LGPS (Transitional Provisions) Regulations 2008 [SI 2008/238] [T] • LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] [TP] • LGPS Regulations 2013 [SI 2013/2356] [R] LGPS 1997 (as amended) [1997/1612] [L]			
TPSch 2, para 1(2)& 1(1)(c)	Whether to “switch on” the 85-year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.		The Trust will not normally exercise this discretion except where there is a clear financial or operational advantage to the Trust.
B30(5), TPSch 2, para 2(1)	Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 (member).	Employer	The Trust will not normally exercise this discretion except where there is a clear financial or operational advantage to the Trust.
TPSch 2, para 1(2) & 1(1)(c)	Whether to “switch on” the 85-year rule for a pensioner member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.	Employer	The Trust will not normally exercise this discretion except where there is a clear financial or operational advantage to the Trust.
B30A(5), TPSch 2, para 2(1)	Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A (pensioner member with deferred benefits).	Employer	The Trust will not normally exercise this discretion except where there is a clear financial or operational advantage to the Trust.

Section 3 <ul style="list-style-type: none"> • LGPS Regulations 1997 [SI 1997/1612] • The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [SI 2008/238] [prefix T] • The Local Government Pension Scheme (Administration) Regulations 2008 [SI 2008/239] [prefix A] • LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] [TP] • The Local Government Pension Scheme Regulations 2013 [SI 2013/2356] [prefix R] 		Discretionary policies in relation to: <ul style="list-style-type: none"> • active welsh councillor members, and • councillor members who ceased active membership on or after 1 April 1998, and any other scheme members who ceased active membership on or after 1 April 1998 and before 1 April 2008 	
Regulation	Discretion	Regulation	Discretion
31(2)	Grant application for early payment of deferred benefits on or after age 50 and before age 55.	Employer	The Trust will not generally exercise this discretion.
TPSch 2, para 1(2) & 1(1)(f) & R60	<p>Whether to “switch on” the 85 year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.</p> <p>Note: TPSch 2, para 2(2) does not reference para 1(1)(f) so strictly speaking there is no requirement to publish a policy</p>	Employer	The Trust will not generally exercise this discretion.

	under this regulation or R60. However, we understand that this is simply a regulatory omission and the appropriate party should publish a policy accordingly.		
31(5) & TPSch 2, para 2(1)	Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early.	Employer	The Trust will not generally exercise this discretion.
Section 4 <ul style="list-style-type: none"> • LGPS Regulation 1995 [SI 1995/1019] • The Local Government Pension Scheme (Transitional Provisions) Regulations 1997 [SI 1997/1613] [prefix TL] <ul style="list-style-type: none"> • The Local Government Pension Scheme Regulations 1997 {SI 1997/1612} (as amended) [prefix L] • The Local Government Pension Scheme (Administration) Regulations 2008 [SI 2008/239] [prefix A] • LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 		Discretionary policies in relation to: <ul style="list-style-type: none"> • active welsh councillor members, and • councillor members who ceased active membership on or after 1 April 1998, and • any other scheme members who ceased active membership on or after 1 April 1998 and before 1 April 2008 	
Regulation	Discretion	Exercised By	Employer Policy
TP3(5A)(vi), TL4, L106(1) & D11(2)(c)	Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds. Although the common provisions of the 1997 Transitional	Employer	The Trust will not generally exercise this discretion.

	provisions regulations do not specify regulation D11(2)(c), there intention was that it should apply to this regulation.		
Section 5 • The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended) [SI 2006/2914]		Discretionary policies in relation to employees of an employing authority that is defined under regulation 2 of The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended)	
Regulation	Discretion	Regulation	Discretion
5	To base redundancy payments on an actual week's pay where this exceeds the statutory week's pay limit.	Employer	Redundancy payments will be calculated on the employee's actual week's pay.
6	To award lump sum compensation of up to 104 week's pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.	Employer	The Trust will not generally exercise this discretion.
Section 6 • The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended) [SI 2000/1410]		Discretionary policies in relation to employees of an employing authority that is defined under regulation 2 of The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended)	

Regulation	Discretion	Regulation	Discretion
21(4)	How to apportion any surviving spouses or civil partner's annual compensatory added years' payment where the deceased person is survived by more than one spouse or civil partner.	Employer	The Trust will consider this discretion on a case-by-case basis.
25(2)	How it will decide to whom any children's annual compensatory added years payments are to be paid where children's pensions are not payable under the LGPS (because the employee had not joined the LGPS) and, in such a case, how the annual added years will be apportioned amongst the eligible.	Employer	The Trust will consider this discretion on a case-by-case basis.
21(7)	Whether, in respect of the spouse of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal pension suspension rules should be disapplied i.e. whether the spouse's or civil partner's annual compensatory added years payments should continue to be paid.	Employer	The Trust will consider this discretion on a case-by-case basis.
21(5)	If, under the preceding decision, the authority's policy is to apply the normal suspension rules, whether the spouse's or	Employer	The Trust will consider this discretion on a case-by-case basis.

	civil partner's annual compensatory added years payment should be reinstated after the end of the remarriage, new civil partnership, or cohabitation.		
21(7)	Whether, in respect of the spouse or civil partner of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries or cohabits or enters into a civil partnership on or after 1 April 1998 with another person who is also entitled to a spouse's or civil partners annual CAY payment, the normal rule requiring one of them to forego payment whilst the period of marriage, civil partnership or cohabitation lasts, should be disapplied i.e. whether the spouses' or civil partners' annual CAY payments should continue to be paid to both of them.	Employer	The Trust will consider this discretion on a case-by-case basis.
17	To what extent to reduce or suspend the member's annual compensatory added year's payment during any period of reemployment in local government.	Employer	The Trust will consider this discretion on a case-by-case basis.
19	How to reduce the member's annual compensatory added year's payment following the cessation of a period of re-employment in local government.	Employer	The Trust will consider this discretion on a case-by-case basis.

Section 7 • The Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 [SI 2011/2954]		Discretionary policies each employing authority may apply in the exercise of its discretionary powers to make any award in respect of leavers, deaths and reductions in pay that occurred post 15 January 2012	
Regulation	Discretion	Regulation	Discretion
3(1)	Whether to grant an injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.	Employer	The Trust will not generally adopt this discretion
3(4) & 8	Amount of injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.	Employer	The Trust will not generally adopt this discretion
3(2)	Determine whether person continues to be entitled to an injury allowance awarded under regulation 3(1) (reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job).	Employer	The Trust will not generally adopt this discretion
4(1)	Whether to grant an injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.	Employer	The Trust will not generally adopt this discretion

4(3) & 8	Amount of injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.	Employer	The Trust will not generally adopt this discretion
4(2)	Determine whether person continues to be entitled to an injury allowance awarded under regulation 4(1) (loss of employment through permanent incapacity).	Employer	The Trust will not generally adopt this discretion
4(5)	Whether to suspend or discontinue injury allowance awarded under regulation 4(1) (loss of employment through permanent incapacity) if person secures paid employment for not less than 30 hours per week for a period of not.	Employer	The Trust will not generally adopt this discretion
6(1)	Whether to grant an injury allowance following cessation of employment with entitlement to immediate LGPS pension where a regulation 3 payment (reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job) was being made at date of cessation of employment but regulation 4 (loss of employment through permanent incapacity) does not apply.	Employer	The Trust will not generally adopt this discretion

6(1)	Determine amount of any injury allowance to be paid under regulation 6(1) (payment of injury allowance following the cessation of employment).	Employer	The Trust will not generally adopt this discretion.
6(2)	Determine whether and when to cease payment of an injury allowance payable under regulation 6(1) (payment of injury allowance following the cessation of employment).	Employer	The Trust will not generally adopt this discretion.
7(1)	Whether to grant an injury allowance to the spouse, civil partner, cohabiting partner (the requirement to nominate a co-habiting partner has ceased entirely under these regulations due to the outcome of the Elmes v Essex high court judgement) or dependent of an employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.	Employer	The Trust will not generally adopt this discretion.
7(2) & 8	Determine amount of any injury allowance to be paid to the spouse, civil partner, nominated co-habiting partner (for awards made on or after 1 April 2008 the requirement to nominate a cohabiting partner has ceased due to the outcome of the Elmes v Essex high court judgement) or dependent of an employee under regulation 7(1) (employee who dies as a result of sustaining an injury or contracting	Employer	The Trust will not generally adopt this discretion.

	a disease in the course of carrying out duties of the job).		
7(3)	Determine whether and when to cease payment of an injury allowance payable under regulation 7(1) (employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job).	Employer	The Trust will not generally adopt this discretion.



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