We are an ambitious and inclusive Trust of schools
strengthening communities through excellent education.

Local Government Pension Scheme Discretions Policy

Responsibility for approval: Business Executive
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Contents Page

1.0 Policy Statement

1.1 We are an ambitious and inclusive Trust of schools strengthening our communities through excellent education. Our success is underpinned by the growth and retention of great people, including through benefits and conditions. This Policy sets out how the Trust will exercise discretions to enhance member benefits, for those employees within the Local Government Pension Scheme (LGPS).

2.0 Scope and purpose

2.1 The LGPS is a statutory pension scheme, with rules laid down under Act of Parliament. The scheme is administered by Peninsula pensions on behalf of the Devon and Somerset Administration Authorities.

2.2 Scheme regulations allow employers certain discretions to enhance members' benefits. This policy covers these discretions, ensuring strong governance. The discretions covered are those where there would be a cost to the employer for allowing early access to benefits or enhancing the benefits the member receives.

2.3 The policy covers all members of the LGPS working across Trust schools. It does not include Fusion School Services Ltd, which is a separate company.

2.4 The policy is mandatory under the Scheme regulations.

3.0 Definitions

3.1 The Ted Wragg Multi Academy Trust is referred to as **the Ted Wragg Trust or TWT** or **the Trust.**

4.0 Legal Framework

4.1 This Policy will be published on the Staff Hub and will be included in the Trust's Policy Monitoring Schedule.

5.0 Regulations

5.1 The regulations that govern the LGPS in England and Wales are set out below:

- The LGPS Regulations 2013 **R**
- The LGPS Regulations 2014 (Transitional Provisions and Savings) **TP**
- The LGPS Regulations 2008 (Benefits, Membership and Contributions) as at 14 May 2018 **B**

6.0 Internal Dispute Resolutions Procedure (IDRP)

6.1 Peninsula Pensions operates an IDRP to resolve disagreements between LGPS members and the scheme administrators. If members are not satisfied with any decision affecting them made in relation to the local government pension scheme, they have the right to ask for it to be looked at again under the formal complaint procedure. The Stage 1 Appeal Officer in this scenario will be the Headteacher or Senior Executive leader for the school/service area where the employee is based.

7.0 Policy Implementation and Review

7.1 This policy confers no contractual rights. The Trust as the employer retains the right to change this policy at any time, and only the version of the policy which is current at the time that a relevant event occurs to the employee/scheme member will be the one applied to that employee/member.

7.2 Before the expiry of the period of one month beginning with the date any such revisions are made, the Trust will send a copy of its revised statement to each relevant administering authority and will publish the revised policy.

LGPS 2013 & 2014 discretions (mandatory)

Summary of the key discretions to be exercised on and after 1 April 2014 in relation to active members and members who cease active membership after 31 March 2014

Power of employing authority to grant additional pension (Reg 31)	**Policy decision**
An employer can choose to grant extra annual pension* (at full cost to themselves) to: • an active member, or • to a member, within 6 months of leaving, whose employment was terminated on grounds of redundancy or business efficiency. There are limits on the amount that can be purchased. See here. Nb. Tax implications may require consideration due to the potential impact on individuals (Annual Allowance).	This may be considered in exceptional circumstances where there are business benefits.
Shared Cost Additional Pension Contribution (Reg 16(2)(e) & Reg 16(4)(d))	**Policy decision**
Where an active member wishes to purchase extra annual pension by making additional pension contributions (APCs)*, an employer can choose to voluntarily contribute towards the cost of purchasing that extra pension through a Shared Cost Additional Pension Contribution (SCAPC). *(Please see the Peninsula Pensions website for the current years maximum additional pension purchase limit – as above). 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 must contribute 2/3rds of the cost to a SCAPC; there is no discretion (regulation 15(5) of the LGPS Regulations 2013).	The employer will not contribute to a shared cost contribution scheme.
'Switch on' the 85-year rule TPSch 2, para 1(2) & 1(1)(c)	
The 85-year rule does not automatically fully apply to members who would have had the protection under old regulations, and who choose to voluntarily draw their benefits on or after age 55 and before age 60. An employer can decide to switch the 85-year rule back on in full for such members. Where the Scheme employer does not switch back on the 85-year rule, the member's benefits will be actuarily reduced. However, the Scheme employer can exercise a discretion to waive any actuarial	This may be considered in exceptional circumstances where there are business benefits.

reductions (at cost to the Scheme employer)	
Flexible Retirement (R30(6) & TP11(2))	
An employer can decide whether to permit flexible retirement for staff aged 55 or over who reduce their working hours and/or grade and wish to access their pension benefits. In such cases, pension benefits may be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds. The employee must reduce either their hours, and/or their grade and the employer must agree to the release of the pension. You will need to consider: • The minimum reduction in hours or grade required. *(The specific reduction required is not set out in the regulations, but instead must be determined by the employer and specified in this flexible retirement policy).* • Whether the employee should commit to a reduction in hours or grade for a minimum period. • Whether the employee should commit to remaining in employment with the employer for a minimum period The policy must also state whether, in addition to the benefits the member has accrued prior to 1st April 2008 (which the member must draw), you permit the member to choose to draw: • All, part, or none of the benefits they accrued after 31st March 2008 and before 1st April 2014 and/or, • All, part, or none of the benefits accrued after 31st March 2014, and, • Whether to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members' benefits paid on the grounds of flexible retirement before normal retirement age (R30(8)). Note: If flexible retirement is agreed for a member aged between 55 and 60, there could be a Strain cost to be paid to the Pension Fund by the employer in respect of the pension benefits paid. There would also be a Strain cost payable by the employer where you have waived any actuarial reduction, in whole or in part	The Trust's policy enables an employee who is an active member of the Scheme, aged 55 or more, to reduce his/her hours or grade, and receive part or full payment of pension benefits, provided the business case supports the application. This policy applies to all benefits that may accrue under the pension regulations. If the employee would suffer an actuarial reduction in the pension and lump sum due to the early payment, the Trust may, in exceptional circumstances, waive all or part of the reduction, where it is satisfied there is a clear business benefit.
Waive actuarial reductions to members benefits TP3(1) & TP3(5), TPSch 2 (para 2(1), 3(1), 3(2) & 9) B30(5) & B30A(5)	

An employer can decide whether to waive in whole or in part any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement This applies to: • active members voluntarily retiring on or after age 55 and before Normal Pension Age, who elect to immediately draw benefits, and • deferred members and suspended tier 3 ill-health pensioners who elect to draw benefits (other than on ill health grounds) on or after age 55 and before Normal Pension Age	The Trust may consider waiving actuarial reduction on compassionate grounds in some circumstances, where there are business benefits.

Recommended LGPS 2013 & 2014 discretions (non-mandatory)

There is no requirement to have a written policy in respect of non-mandatory discretions. However, there are some non-mandatory discretions where it is recommended for Scheme employers to have a written policy so that both members and the Pension Fund administering authority can be clear on the employer's policy on these matters.

Shared Cost Additional Voluntary Contribution Arrangement (SCAVC) R17 (1) and TP15 (2A) and A25 (3) and definition of SCAVC in RSch 1	Policy decision
An employer can choose to pay for or contribute towards a member's Additional Voluntary Contribution through a shared cost arrangement (SCAVC). An employer will also need to decide how much, and in what circumstances to contribute to a SCAVC arrangement.	The employer will not contribute to a shared cost contribution scheme.
Extend the time limit for member to elect for a Shared Cost Additional Pension Contribution (R16(16))	
An employer can decide to extend the 30 day deadline for a member to elect to purchase additional pension by way of a Shared Cost Additional Pension Contribution (SCAPC) upon return from a period of unpaid absence (other than because of illness or injury, relevant child-related leave or reserve forces service leave).	Any request after the 30-day limit will be declined by the Trust unless there were exceptional circumstances preventing a request within the time limit.
Extend the 12-month time limit for transfer of pension rights (R100(6))	
An employer can decide to extend the 12-month time limit for a member to elect to transfer pension rights from another registered pension scheme into the LPGS, if an election has not been made within 12 months of joining the LGPS in that employment. (This requires the agreement of the Pension Fund administering authority).	Any request after the 12-month limit will be declined by the Trust unless there were exceptional circumstances preventing a request within the time limit.

Extend the 12-month time limit for a member to elect not to aggregate Post 31 March 2014 deferred benefits (R22(7) and (8)	
An employer can extend the 12-month time limit for a member to elect not to aggregate their Post 31 March 2014 (or combinations of Pre & Post 2014) deferred benefits with their new LGPS employment (or ongoing concurrent LGPS employment), if an election has not been made within 12 months of joining the LGPS in that employment (or within 12 months of ceasing the concurrent membership).	Any request after the 12-month limit will be declined by the Trust unless there were exceptional circumstances preventing a request within the time limit.
Extend the 12-month time limit for a member to elect to aggregate Pre 1 April 2014 deferred benefits (TP 10(6) as amended by A27 (2018)	
Employers can decide whether to extend the 12-month time limit for a member to elect to aggregate their Pre 1 April 2014 deferred benefits with their new LGPS employment that commenced on or after 14 May 2018 in order to purchase earned pension.	Any request after the 12-month limit will be declined by the Trust unless there were exceptional circumstances preventing a request within the time limit.
How an employee's contribution band will be initially determined and thereafter reviewed (R9 and R10)	
Employers must decide how the pension contribution band to which an employee is to be allocated on joining the Scheme will be determined and reviewed at each subsequent April. Circumstances in which the employer will review the pension contribution band will also need to be determined. For example, following a material change which affects the member's pensionable pay during the Scheme year (1 April to 31 March)	The relevant contribution rate will be determined on commencement of membership and then at the start of each subsequent financial year (1st April). If, in the course of a financial year, you have a change in Scheme employment or a material change which affects your pensionable pay, to the extent that the revised amount of your pensionable pay falls into a different contribution band, the Trust will advise you of a change in contribution rate and the date from which the change will be applied.
Whether to include a regular lump sum payment when calculating assumed pensionable pay (APP) (Reg 21(4)(a)(iv), 21(4)(b)(iv) and 21(5))	
When calculating assumed pensionable pay, employers can decide to include the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred. A 'regular lump sum payment' is a payment for which the employer determines there is a reasonable expectation that such a payment would be paid on a regular basis.	The Trust will consider the position on its merits.
Whether to substitute a higher level of	

pensionable pay when calculating assumed pensionable pay (R21(5A) and 21(5B) backdated to 1 April 2014 by A7 2018)	
When calculating assumed pensionable pay (APP), an employer can decide to substitute a higher level of pensionable pay if, in their opinion, the pensionable pay received in the 3 months/12 weeks before the commencement of APP, is materially lower than the level of pensionable pay the member would have normally received	The Trust will consider the position on its merits.

Pre LGPS 2014 discretions

Discretions to be exercised on and after 1 April 2014 in relation to scheme members who ceased active membership between 1 April 2008 and 31 March 2014

'Switch on' the 85-year rule TPSch 2, para 1(1)(c) & 1(2)	
The 85-year rule does not automatically fully apply to members who would have had the protection under old regulations, and who choose to voluntarily draw their benefits on or after age 55 and before age 60. An employer can decide to switch the 85-year rule back on in full for such members. This also applies to members with deferred benefits or a suspended tier 3 ill health pension who choose to voluntarily draw their deferred benefits (on or after 14 May 2018) on or after age 55 and before age 60.	These may be considered in exceptional circumstances where there are business benefits.
Waive actuarial reductions to members benefits B30(5), TPSch 2, para 2(1) B30A(5)	
An employer can decide whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.	This may be considered in exceptional circumstances where there are business benefits.

Discretions to be exercised on and after 1 April 2014 in relation to scheme members who ceased active membership between 1 April 1998 and 31 March 2008

Grant application for early payment of deferred benefits R31(2) LGPS Regulations 1997	
Employers can decide whether to grant applications for the early payment of pension benefits on or after age 50 and before age 55	Pre-1 April 2008 Scheme leavers may apply from age 50. However, benefits paid on or after age 50, but before age 55, are subject to charges by HMRC under the Finance Act 2006 (the payments are regarded as 'unauthorised'). Therefore, the Trust will only agree to such a release on compassionate grounds in exceptional circumstances.

‘Switch on’ the 85-year rule upon the voluntary early payment of deferred benefits TPSch 2, para 1(2) & 1(1)(f) & R60	
The 85-year rule does not automatically fully apply to members who would have had the protection under old regulations. An employer can decide to “switch on” the 85-year rule in full for a member with deferred benefits voluntarily drawing benefits (on or after 14 May 2018) on or after age 55 and before age 60.	This may be considered in exceptional circumstances where there are business benefits.
Waive actuarial reductions to members benefits (R31(5) 1997 & TPSch 2, para 2(1)	
An employer can decide whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65.	This may be considered in exceptional circumstances where there are business benefits.

Discretions to be exercised on and after 1 April 2014 in relation to members who ceased active membership before 1 April 1998

Grant application for early payment of deferred benefits (TP3(5A)(vi), TL4, L106(1) 1997 Transitional & D11(2)(c) 1995 Regs)	
Employers can decide whether to grant applications early payment of deferred pension benefits on or after age 50 and before normal retirement age on compassionate grounds.	Benefits paid on or after age 50, but before age 55, are subject to charges by HMRC under the Finance Act 2006 (the payments are regarded as ‘unauthorised’). Therefore, the Trust will only agree to such a release on compassionate grounds in exceptional circumstances.