

JOHN TAYLOR MULTI ACADEMY TRUST



Local Government Pension Scheme Employer Discretions Policy Staffordshire Pension Fund

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This document outlines John Taylor MAT's policy on the employer discretions specified in the Local Government Pension Scheme Regulations 2013, which came into effect from 1 April 2014 (hereafter referred to as The Trust).

Introduction

1. The Local Government Pension Scheme (LGPS) in England and Wales was amended from 1 April 2014 so that benefits for service after 31 March 2014 accrue on a defined Career Average Revalued Earnings (CARE) basis, rather than on a defined benefit final salary basis.
2. The provisions of the CARE scheme, together with the protections for members 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.
3. As a result of the changes, scheme employers participating in the LGPS in England or Wales will have to formulate, publish and keep under review a statement of policy on all mandatory discretions (or where the discretion is non-mandatory, are recommended to) which they have the power to exercise in relation to members of the CARE Scheme and earlier schemes.
4. Scheme employers are also required to formulate, publish and keep under review a statement of policy on all other mandatory discretions (or where there is no requirement, are recommended to) they may exercise in relation to members of the LGPS.

Background Regulations

- Local Government Pension Scheme Regulations 2013 (LGPS 2013)
- Local Government Pension Scheme (Transitional Provisions, savings and Amendment) Regulations 2014 (TP 2014)

Areas of Discretion

There are 5 areas of discretion where a Scheme Employer must publish a policy by 30 June 2014 under Regulation 60 of LGPS 2013 and TP 2014.

- Regulation 16 LGPS 2013 (funding of additional pension)
- Regulation 30(6) LGPS 2013 (Flexible Retirement)
- Regulation 30(8) LGPS 2013 (waiving of actuarial reduction included with)
- Regulation 30(6) Regulation 31 LGPS 2013 (award of additional pension)
- Schedule 2 TP 2014 (application of Rule of 85)

In addition this document details The Trust's policy for the allocation of LGPS employee contribution bands and the Scheme of Delegation for decision making powers.

Regulation 16 LGPS 2013: Funding of Additional Pension

Policy

Where a Scheme member makes an election after the 30 day deadline to "buy" back an amount of lost pension, as a result of unpaid authorised absence, and it can be demonstrated that the reason for missing the deadline was because the member was not informed by The Trust that this deadline existed, The Trust as a Scheme employer will accept a late election up to 30 days after the receipt of the first Annual Benefit statement received by the member, following the employees return to work from the period of unpaid authorised absence.

The Trust as a Scheme employer will only contribute to the cost of "buying" additional pension where the Scheme member is "buying" additional pension in respect of a period of authorised absence where an election form was received from the Scheme member within 30 days of returning to work.

Regulation 16 (2)(e) and 16(4)(d). Additional pension contributions

Policy

Additional pension contributions will not be funded in whole or in part by The Trust.

Regulation 30(6) LGPS 2013: Flexible Retirement

Policy

That The Trust as the employing authority will consider an application received in writing from a Scheme member to elect for flexible retirement under Regulation 30(6). Each case will be considered by The Trust on its merits and will be subject to the approval of the relevant Manager under The Trust's Scheme of delegation, and in giving that approval they are satisfied that:

- There are no pension costs to The Trust arising from the employee's flexible retirement.
- There is an operational, business or financial case for permitting flexible retirement which will not result in any detriment to the level of service.
- A reduction to the total costs of employing the person of at least 40%.
- Any agreed change to the employee's contract under this policy will be a permanent change to their contractual terms and conditions.
- Where a request for release of retirement benefits under this provision has been refused, no further application under the provision may be considered until the following financial year.

Regulation 30(8) LGPS 2013: Waiving of actuarial reduction

The Trust will not waive in whole or in part any reduction applied to individuals drawing their pension benefits before their normal retirement age under regulations 30(5) or 30(6).

Regulation 31 LGPS 2013: Power of the employing authority to award additional pension to active members

Policy

Active member who was dismissed by reason of redundancy

The Trust as the Scheme employer will exercise this discretion where an active LGPS member is dismissed on the grounds of redundancy under regulation 30(7) of LGPS 2013 and where that person is entitled to a redundancy payment.

Where an employee of The Trust as employing authority is dismissed on the grounds of redundancy and qualifies for a statutory redundancy payment they will award lump sum compensation under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.

At the member's request, The Trust will, as an alternative to this compensation payment, allow the member to receive additional annual pension under Regulation 31 of the LGPS 2013 which will be assessed having regard to the capital value of the lump sum compensation otherwise payable, and in accordance with factors supplied by the Fund Actuary.

Active members and active members dismissed by reason of business efficiency or whose employment was terminated by mutual consent on grounds of business efficiency additional annual pension

At this time, The Trust will not normally use this power in any other circumstances.

NB: With effect from 1 September 2019, for staff newly appointed to the Trust, the Policy is not to grant any additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency.

Regulation 30 LGPS 2013: Early retirement after age 55 before Normal Pension Age (NPA) where employment ceases on or after 1 April 2014 under:

Regulation 30(8) – Waiving of actuarial reduction

Policy

The Trust will not waive in whole or in part any reduction applied to individuals drawing their pension benefits before their normal retirement age under schedule 2 2(1).

Rule of 85 protections

Policy

The Trust will not allow the rule of 85 protections to apply.

John Taylor MAT policy for the allocation of LGPS employee contribution bands

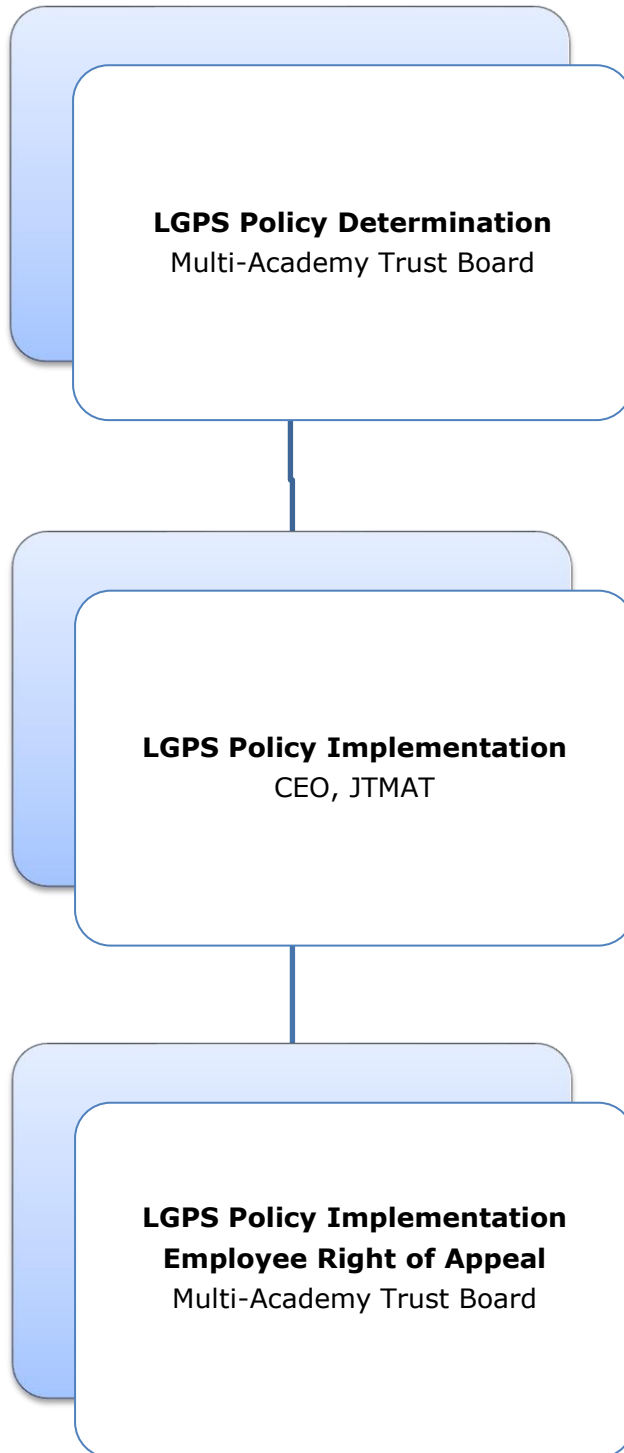
Members of the Local Government Pension Scheme (LGPS) will be assigned to the relevant contribution band for the year based upon the pensionable pay that they earned in the previous year. For employees who did not work for the whole of that year, the relevant LGPS contribution band will be allocated based upon their annual salary rate.

The Trust's policy is to set contribution rates based on actual pay as at 1 April each year and not to make any changes during the year, except in the following circumstances:

- (i) pay is permanently reduced, such that it would cause a move to a lower band
- (ii) pay is permanently increased, such that it would cause a move to a higher band
- (iii) a contractual additional payment is applied that would cause a move to a higher band

In all other circumstances assessment will be made on the actual pay at the end of March each year.

**John Taylor MAT
Scheme of Delegation for LGPS**



This Scheme of Delegation is subject to review every 2 years or at the point of statutory, regulatory or organisational change.