



LOCAL GOVERNMENT PENSION SCHEME DISCRETIONARY POLICY

FOR SCHOOLS WITHIN QUEST

**St. Peter's C. of E. Primary School, Hindley
Hindley Green Community Primary School
St. John's C. of E. Primary School, Hindley Green
St. John's C. of E. Primary School, Abram
University Collegiate School, Bolton**



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Statement of Intent

Under the Local Government Pension Scheme (LGPS) (Benefits, Membership and Contributions Regulations 2008), the Trust 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.

To ensure value for money and financial stability, the Trust has adopted an approach that befits the size, finances and current staffing levels of the Trust. In addition, the decisions regarding the discretionary powers have been taken to ensure the affordability of the scheme to all members.

The Trust 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.

In addition to the above, the Trust is required to adhere to a number of provisions and to create and implement effective procedures for administration of the LGPS scheme.

These duties and procedures are detailed in this policy and covers all QUEST employees who are members of the Local Government Pensions Scheme.

1. Discretionary Decisions

- 1.1** The Trust, as an LGPS Employer, is legally required to provide employees and LGPS scheme members with information regarding their decision to include or omit the following discretions in their LGPS scheme:
- 1.1.1** Regulation 31 - Whether to grant additional pension to a member (by up to £6,500 p.a.).
 - 1.1.2** Regulation 30 (6) - Whether all or some benefits can be paid if a member aged 55 or over reduces their hours or grade (flexible retirement).
 - 1.1.3** Regulation 30 (8) - Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.
 - 1.1.4** Regulation 30 (8) - Whether to grant application for early payment of benefits age 55+ for both active and deferred members and suspended tier 3 ill health retirement.
 - 1.1.5** Regulation 100 (6) - Whether the Trust will permit late inward transfer of pension rights.
 - 1.1.6** Regulation 16 (2)e and 16 (4)d – Whether to make either a regular or lump sum Additional Pension Contribution to a member's account (funded in part or wholly by the Trust)
 - 1.1.7** TP Regulation 1 (1)c - Whether to allow the rule of 85 to be switched on for members who would normally meet the rule but who will not if they draw benefits aged 55-59
 - 1.1.8** Regulations 22 (8 &9) – Whether to extend the 12-month period to separate previous local government service.
 - 1.1.9** Regulation 9 (3) - Determination of the rate of employee's contribution

2. Key roles and responsibilities

- 2.1.** The Board of Directors has overall responsibility for the implementation and monitoring of the LGPS Discretionary Policy at the Trust.
- 2.2.** The Board of Directors has responsibility for ensuring that the LGPS Discretionary Policy, as written, does not discriminate on any grounds, including but not limited to: age, ethnicity/national origin, culture, religion, gender, disability or sexual orientation.
- 2.3.** The Board of Directors has overall responsibility for handling complaints regarding this policy as outlined in the Trust Complaints Procedure.
- 2.4.** The Chief Operating and Finance Officer has responsibility for the day-to-day implementation and management of the LGPS Discretionary Policy at the Trust.
- 2.5.** Staff members enrolled on the LGPS will be responsible for following the LGPS Discretionary Policy.

3. Regulation 31 - Whether to grant additional pension to a member (by up to £6,500 p.a.).

- 3.1.** The Trust may agree, at its own cost, to award a member an additional pension up to a maximum of £6,500 p.a. (this figure will increase each April under the Pension (Increase) Act 1971).
- 3.2.** The LGPS 2014 Regulations state that the Trust may agree, at its own cost, to award additional membership up to a maximum of 10 years.
- 3.3.** The Trust will only consider doing so in cases where there is a clear financial, operational or administrative advantage to the Trust.

- 4. Regulation 30 (6) - Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).**
 - 4.1. The Trust may agree, at its own cost (if there is any) for a 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 Trust's employment.
 - 4.2. The Trust will only consider doing so in cases where there is a clear financial, operational or administrative advantage to the Trust.
- 5. Regulation 30 (8) - Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.**
 - 5.1. If the benefits on flexible retirement would normally be reduced for early payment, The Trust may agree, at its own cost, to waive all or part of the reduction.
 - 5.2. The Trust will only consider doing so in cases where there is a clear financial, operational or administrative advantage to the Trust.
- 6. Regulation 30 (8) - Whether to grant application for early payment of benefits on or age 55+ for both active and deferred members and suspended tier 3 ill health pensions.**
 - 6.1. The Trust may agree, at its own cost, for a member aged 55 or over, who leaves its employment without an automatic entitlement to immediate LGPS benefits, to receive their benefits immediately.
 - 6.2. The Trust will only consider doing so in cases where there is a clear financial, operational or administrative advantage to the Trust.
- 7. Regulation 100 (6) - Whether to extend the 12- month period to allow a transfer-in of non-local government pension rights.**
 - 7.1. The Trust will only allow an extension to the 12-month period to combine previous non-local government service where it can be shown that the member was not provided with the required information within 6 months of starting at the Trust.
- 8. Regulation 16 (2)e and 16 (4)d - Whether to make either a regular or lump sum Additional Pension Contribution to a member's account (funded in part or wholly by the Trust).**
 - 8.1. The Trust's policy is not to contribute towards the cost of any Additional Pension contribution (i.e. enter into a Shared Cost APC) for any employee who elects to do this.
 - 8.2. The Trust's policy is not to contribute towards the cost of any Additional Voluntary Contribution (i.e. enter into a Shared Cost AVC) for any employee who elects to do this.
- 9. LGPS Transitional provisions, Savings & Amendment Regulations 2014**
Regulation 1 (1)c - Whether to allow the rule of 85 to be switched on for members who would normally meet the rule but who will not if they draw their benefits aged 55-59.
 - 9.1. The Trust will only consider switching on Rule 85 if there is a clear financial benefit in doing so.

10. Regulation 22 (8 & 9) - Whether to extend 12-month period to separate previous local government service.

10.1. The Trust will only allow an extension to the 12 month period to combine previous non-local government service where it can be shown that the member was not provided with the required information within 6 months of starting at the Trust.

11. Regulation 9 (3) - Determination of the rate of employee's contribution.

11.1. The Trust will only review all employees' contribution bands as at 1 April each year, except if the member has been promoted on a permanent basis.

12. LGPS Member Records.

12.1. The Chief Operating and Finance Officer, with the assistance of the Payroll Provider, is responsible for maintaining a clear and up to date record of all Trust staff enrolled in the LGPS.

12.2. The scheme will have details of each member's:

- 12.2.1. Full Name
- 12.2.2. National Insurance Number
- 12.2.3. Current Full Time Equivalent (FTE) salary
- 12.2.4. Hours and Weeks worked
- 12.2.5. Contact details for Payroll and HR use
- 12.2.6. Contribution Rate
- 12.2.7. Service Start Date/Pension Start Date (if different)
- 12.2.8. Changes in Contribution Rate

13. Auto- Enrolment.

13.1. This is a government strategy to encourage more people to save for their retirement and requires employers to enrol their workers into a workplace pension scheme. This applies to those who are not already in one and who:

- 13.1.1. Earn over a minimum value (currently £12,500 year)
- 13.1.2. Are aged over 22
- 13.1.3. Are under state pension age

There is the provision to opt out of the pension scheme when an employee starts work but it is the employee who has to action this. If the employee opts out it is for a maximum of 3 years and then the employee will automatically be enrolled and the cycle continues.

This policy has been reviewed with due regard to the Equality Act 2010 and approved by Directors on 8th September 2020.

Signed by:

B. Anthon

Chair of Directors

8th September 2020