



THE CORBET SCHOOL
TECHNOLOGY & LANGUAGE COLLEGE

&



Shropshire County
Pension Fund

Employer Discretions Policy

Introduction

All employers who participate in the Local Government Pension Scheme (LGPS) are required to formulate a discretions policy in accordance with Regulation 66 of The Local Government Pension Scheme (Administration) Regulations 2008.

The policy must be published and kept under review. A copy of the employer's published policy statement must be sent to the Pension Fund administering authority, as should any amendments.

There are different types of discretions

There are many discretions in the current regulations with several more extant from the previous regulations.

However, there are only a handful where there is a requirement for the employer to have a written policy statement.

These notes will explain about these discretions and how they may affect the employer together with some examples of what the policy might say, but it is up to every employer to decide on their discretions.

The other discretions which do not need a written policy can be dealt with as and when they are required.

What employers must consider when making a policy

It is important that each employer considers the following:

Cost – Generally there are always cost implications for the employer whether it be a 'Strain payment' maybe payable or an up-front cost for awarding benefits.

Fettering Discretions – It is important to ensure that the wording of the policy doesn't fetter the employer's discretion.

Age discrimination – Care needs to be taken to ensure the policy doesn't have any age related criteria.

It is not advisable to state that your policy will be the same as another employer, as you will not be aware of when they decide to change it. Always create your own policy even if the wording is the same as another employer's policy.

A cost of living increase is added if using previous year's pensionable salary figures.

THE CORBET SCHOOL POLICY REGULATIONS

(Required by Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008).

The Corbet School policy decision is indicated with a *

Regulation B12 Augmented Service

The LGPS regulations allow the employing authority to increase a member's period of membership up to a maximum of 10 years. This can be awarded at any time during the member's active service or within 6 months of the member leaving employment on the grounds of redundancy, efficiency or a joint appointment.

There will be an up-front cost payable to the pension fund for awarding additional membership.

* Augmented service may be awarded in exceptional circumstances.

* Each case will be considered as unique, and will not create a precedent for the future.

Regulation B13 Additional Pension

The LGPS regulations allow the employing authority to award a member additional pension up to a maximum of £5,000 per annum. This can be awarded at any time during the member's active service. There will be an up-front cost payable to the pension fund for awarding additional membership.

- * Additional pension may be awarded in exceptional circumstances.
- * Each case will be considered as unique, and will not create a precedent for the future.

Regulation B18 Flexible Retirement

Employers may allow a member from age 55 onwards to draw up all or part of the pension benefits they have already built up whilst still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving position on a lower grade.

In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer chooses to waive reduction

In all cases:

- * 1. There must be a business/economic reason to allow a Strain Cost to be paid to the pension fund.
- * 2. Hours cannot revert back within 12 months changing
- * 3. Waiving of actuarial reduction will only be allowed in exceptional circumstances.

Regulation B30 Early Retirement

Employers can allow voluntary early retirement to members of the LGPS between the ages of 55 and 59 (or age 50 and 59 if the member was a member on 31st March 2008 and makes a request before 31st March 2010). In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds or a member has protected rights.

- * It is anticipated that the circumstances where permissions for early retirement in exceptional circumstances will be granted will be very limited.
- * Sympathetic consideration will be given to early payment on compassionate grounds where there is a need by a member of staff to provide long term care (which can be evidenced) to a dependant relative or partner. Early release of pension benefits will mean that pension benefits are reduced.

THE CORBET SCHOOL OPTIONAL DISCRETIONS

Regulation 3(B) and 5(A) Employee Contribution Bandings

Employee contributions rates are dictated by the level of Estimated pensionable Pay.

Full Time & Defined Hours Part Time Staff

Estimated Pensionable Pay = Annual Rate of Contracted Pay + Estimated Additions

Casual Staff / Variable Hours

Estimated Pensionable Pay = Annual Estimated Hours x Hourly Rate
+
Estimated Additions

Estimated Pensionable Pay will be calculated annually (April), and contribution rates will be derived from these calculations.

Where there is a significant change in an individual's employment, which affects the pay grade, hours worked, or expected additions, this will initiate a re-assessment of Estimated Pensionable Pay and may adjust the contribution rate.

Regulation 83 (8) (A) and 16 (4) (A) Transferring Revision Rights

- * Employees may choose to transfer other pension rights into the Shropshire Pension Scheme. The request to transfer must be made within 12 months of the employee starting employment with the Corbet School.

Regulation 25 (3) A Additional Voluntary Contributions

An active member may elect to pay AVC's into the scheme under the contract between the administering authority and a body approved for the purposes of the Finance Act 2004.

Under Paragraph 3 an employer can, at its discretion contribute to the AVC which is known as a 'shared cost additional voluntary contribution'

The Corbet School has resolved NOT to adapt this discretion.

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