



Madeley Academy

**Part of
Thomas Telford Multi Academy Trust**

**Local Government Pension Scheme
Discretions Policy Document**

Contents

Overview

Useful Information

- Section 1:** *Discretions which may be exercised on and after 1 April 2014 in relation to active members (excluding councillor members) and members (excluding councillor members) who cease active membership after 31 March 2014*
- Section 2:** *Discretions which may be exercised on and after 1 April 2014 relation to members (excluding councillor members) who ceased active membership between 1 April 2008 and 31 March 2014*
- Section 3:** *Discretions which may be exercised on and after 1 April 2014 in relation to active and deferred councillor members and any other members who ceased active membership between 1 April 1998 and 31 March 2008*
- Section 4:** *Discretions which may be exercised on and after 1 April 2014 in relation to members who ceased active membership before 1 April 1998*
- Section 5:** *Discretions which may be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006*

Overview

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, build-up on a defined benefit career average revalued earnings (CARE) basis, rather than on a defined benefit final salary basis.

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 [SI 2013/2356] and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525].

Scheme employers participating in the LGPS in England or Wales must 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.

Overall, Scheme employers participating in the LGPS in England or Wales:

- 1) Must formulate, publish and keep under review a statement of policy on all mandatory discretions (or where the discretion is non-mandatory, are recommended to) in accordance with:
 - regulation 60 of the LGPS Regulations 2013 [SI 2013/2356],
 - paragraph 2(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2015/525],
 - regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008 (in respect of leavers between 1 April 2008 and 31 March 2014) [SI 2008/239],
 - regulation 106 of the Local Government Pension Scheme Regulations 1997 (in respect of leavers between 1 April 1998 and 31 March 2008) [SI 1997/1612], and
 - by virtue of regulation 4 of the LGPS (Transitional Provisions) Regulations 1997 [SI 1997/1613], regulation 106 of the Local Government Pension Scheme Regulations 1997 [SI 1997/1612] (in respect of leavers prior to 1 April 1998) [SI 1997/1612].
- 2) Must (other than admission bodies) formulate, publish and keep under review a statement of policy on all mandatory discretions in accordance with regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 [SI 2006/2914], operative from 1 October 2006.
- 3) Must (other than admission bodies) formulate, publish and keep under review a statement of policy on all mandatory discretions (or where the discretion is nonmandatory, are recommended to) in accordance with regulation 26 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 [SI 2000/1410] (operative from 1 October 2000 up to and including 30 September 2006).
- 4) Must (other than admission bodies) formulate, publish and keep under review a statement of policy on all discretions relating to injury allowances in accordance with regulation 14 of the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 [SI 2011/2954].
- 5) Are recommended to formulate, publish and keep under review a Statement of Policy on the non-mandatory discretions under the Local Government (Discretionary Payments) Regulations 1996 [SI 1996/1680] which relate to: injury allowances in respect of leavers, deaths and reduction in pay that occurred before 16 January 2012; and which relate to gratuities in respect of leavers and deaths that occurred before 16 January 2012.

The approach to exercising discretion in this policy is to allow the employer to make a reasonable decision in individual cases. In formulating and reviewing its policy statements the employer is required to:

- have regard to the extent to which the exercise of their discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service, and,
- be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

Any complaints relating to decisions in these matters would need initially to be raised under the pension scheme's Internal Disputes Resolution Procedure, details of which are available from the pension scheme administrator.

This policy confers no contractual rights.

The Employer retains the right to change this policy at any time.

Only the policy which is current at the time that a relevant event occurs to the scheme member will be the one applied to that member.

To ensure value for money and financial stability, Thomas Telford Multi Academy Trust (the "Employer") has adopted an approach that befits the size, finances and its staffing levels. In addition, the decisions regarding the discretionary powers have been taken to ensure the affordability of the scheme to all members. The Employer is committed to equality and this policy has been created in accordance with relevant legislation.

Useful information

Roles and responsibilities

The Thomas Telford Multi Academy Trust Board has overall responsibility for the implementation and monitoring of the LGPS Discretionary Policy.

TTMAT 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
- sexual orientation.

TTMAT has overall responsibility for handling complaints regarding this policy as outlined in the Grievance Procedure. In the first instance, complaints should be directed to the Finance Director.

The Finance Director of Thomas Telford Multi Academy Trust has responsibility for the day-to-day implementation and management of the LGPS Discretionary Policy.

Further information about your LGPS pension

More information about your LGPS pension, including how entitlements are calculated under each scheme, can be found on the LGPS website:

<https://www.lgpsmember.org/your-pension/>

Section 1

Discretions which may be exercised on and after 1 April 2014 in relation to active members (excluding councillor members) and members (excluding councillor members) who cease active membership after 31 March 2014

Mandatory discretions

Discretion	Employer's Policy on the exercise of this discretion
1. Whether to grant extra annual pension <i>R31</i> Whether, at full cost to the Scheme employer, to grant extra annual pension* to an active member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency. <i>* Refer to the LGPS Member Website for the current maximum additional purchase limit</i>	The Employer will not grant extra annual pension in general but may consider doing so where there is a sound business or where exceptional circumstances apply. Each case will be considered on its individual merits.
2. Whether to share the cost of purchasing additional pension ("SCAPC") <i>R16(2)(e) and R16(4)(d)</i> Whether, where an active member wishes to purchase extra annual pension* by making additional pension contributions ("APCs"), to voluntarily contribute towards the cost of purchasing that extra pension via a SCAPC. <i>* Refer to the LGPS Member Website for the current maximum additional purchase limit</i>	The Employer will not fund additional pension contributions in general. Any such payments would only be granted in exceptional cases.
3. Whether to permit flexible retirement <i>R30(6), R30(8) and TP11(2)</i> Whether to permit flexible retirement for staff aged 55 or over who, with the agreement of the Scheme employer, reduce their working hours or grade and, if so, as part of the agreement to permit flexible retirement: - whether, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw), to permit the member to choose to draw: - all, part or none of the pension benefits they accrued after 31 March 2008 and before 1 April 2014, and / or - all, part or none of the pension benefits they accrued after 31 March 2014, and, - whether to waive, in whole or in part, any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age.	The Employer will not exercise this discretion in general but may exercise it where a sound business case can be made for granting flexible retirement with immediate access to all or part of the member's benefits. The Employer will not waive, in whole or in part, any actuarial reduction in general. The Employer will consider requests on a case-by-case basis.
4. Whether to 'switch on' the 85-year rule (always excludes flexible retirement) upon the voluntary early payment of deferred benefits <i>TPSch 2, para 1(2) & 1(1)(c)</i> Whether, as the 85-year rule does not (other than on flexible retirement) automatically fully apply to members who would otherwise be subject to it⁹ and who choose to voluntarily draw their benefits on or after age 55 and before age 60, to switch the 85-year rule back on in full for such members.	Such applications will not normally be approved by the Employer. Applications may be approved in exceptional circumstances or where

Where the Scheme employer does not do so, the member's benefits will be actuarially reduced. However, the Scheme employer can exercise a discretion to waive any actuarial reductions (at cost to the Scheme employer).	there is a sound business case for doing so.
5. Whether to waive upon the voluntary early payment of benefits, any actuarial reduction on compassionate grounds or otherwise (excluding flexible retirement) <i>TP3(1), TPSch 2, para 2(1), B30(5) & B30A(5)</i> For active members voluntarily retiring on or after age 55 and before Normal Pension Age, who elect to immediately draw benefits, and for 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, and who: - were not members of the LGPS before 1 October 2006, whether to: - waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits, if any, built up before 1 April 2014, and/or - waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits built up after 31 March 2014 - were members of the LGPS before 1 October 2006 and who reached age 60 before 1 April 2016, whether to: - waive on compassionate grounds any actuarial reduction²² that would otherwise be applied to benefits built up before 1 April 2016 - waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits built up after 31 March 2016 - were members of the LGPS before 1 October 2006 and who will reach age 60 after 31 March 2020 (or who would reach age 60 between 1 April 2016 and 31 March 2020 inclusive, but who would not meet their Critical Retirement Age (CRA) before 1 April 2020, whether to: - waive on compassionate grounds any actuarial reduction that would otherwise be applied to benefits built up before 1 April 2014, and / or - waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits built up after 31 March 2014 - were members of the LGPS before 1 October 2006 and who will reach age 60 between 1 April 2016 and 31 March 2020 inclusive and who will also reach their CRA, whether to: - waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits built up before 1 April 2020, and / or - waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits built up after 31 March 2020	Such applications will not normally be approved by the Employer. Applications may be approved in exceptional circumstances where individuals can show that there are significant compassionate grounds.

Non-mandatory discretions

Discretion	Employer's Policy on the exercise of this discretion
6. Shared Cost Additional Voluntary Contribution Arrangement ("SCAVC") <i>R17(1) and definition of SCAVC in RSch 1</i> Whether, how much, and in what circumstances to contribute to a SCAVC arrangement.	The Employer will not contribute to a shared cost AVC.

7. Whether to extend the time limit for member to elect for a Shared Cost Additional Pension Contribution <i>R16(16)</i> Whether to extend the 30-day deadline for member to elect for a SCAPC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave).	The Employer will not have a general policy of extending the time limit. It may be considered under exceptional circumstances.
8. Whether to extend the 12-month time limit for a member to elect to transfer pension rights from another registered pension scheme? <i>R100(6)</i> Whether, with the agreement of the Pension Fund administering authority, to permit a member to elect to transfer pension rights from another registered pension scheme into the LGPS, if they had not made such an election to do so within 12 months of first joining the LGPS in that employment.	The Employer will not extend the 12-month time limit in general.
9. Whether to extend the 12-month time limit for a member to elect not to aggregate Post-31 March 2014 (or combinations of Pre-April 2014 and Post-March 2014) deferred benefits <i>R22(8)(b) and R22(7)(b)</i> Whether to extend the 12-month time limit within which a member who has a deferred LGPS benefit in England or Wales following the cessation of employment (or cessation of a concurrent employment) after 31 March 2014 may elect not to have their deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment) if the member has not made an election to retain separate benefits within 12 months of commencing membership of the LGPS in the new employment (or within 12 months of ceasing the concurrent membership).	The Employer will not extend the 12-month time limit in general.
10. Whether to extend the 12-month time limit for a member to elect to aggregate Pre-1 April 2014 deferred benefits <i>TP10(6)</i> Whether to extend the 12-month time limit within which a member (who has not elected to be treated as a member who, in the same employment, was contributing to the Scheme on both 31 March 2014 and 1 April 2014) who has a deferred LGPS benefit in England or Wales following the cessation of employment before 1 April 2014, to elect to aggregate their deferred benefits with their new LGPS employment that commenced on or after 14 May 2018, to purchase earned pension.	The Employer will not extend the 12-month time limit in general.
11. How an employee's contribution band will be initially determined and thereafter reviewed? <i>R9 & R10</i> How the pension contribution band to which an employee is to be allocated on joining the Scheme, and at each subsequent April, will be determined and the circumstances in which the Scheme employer will, in addition to the review each April, review the pension contribution band to which an employee has been allocated following a material change which affects the member's pensionable pay in the course of a Scheme year.	The Employer will assign the appropriate contribution rate to employees according to their pay band on employment and on 1 September and 1 April each year and adjust only where there is a contractual change during the year.
12. Whether to include a regular lump sum payment when calculating assumed pensionable pay (APP) <i>D21(4)(a)(iv), 21(4)(b)(iv) and 21(5)</i> Whether or not, when calculating assumed pensionable pay when a member is: on reduced contractual pay or no pay on due to sickness or injury, or	The Employer will not exercise this discretion in general but may do so where a sound business case exists or where exceptional circumstances apply.

- absent during ordinary maternity, paternity or adoption leave or during paid additional maternity, paternity or adoption leave, or - absent on reserve forces service leave, or - retires with a Tier 1 or Tier 2 ill health pension, or - dies in service to include in the calculation 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 member's Scheme employer determines there is a reasonable expectation that such a payment would be paid on a regular basis.	
13. Whether, subject to qualification, to substitute a higher level of pensionable pay when calculating assumed pensionable pay (APP) R21(5A) and R21(5B) When a member is: - on reduced contractual pay or no pay due to sickness or injury, or - absent during ordinary maternity, paternity or adoption leave, or paid shared parental leave, or during paid additional maternity or adoption leave, or - absent on reserve forces service leave, or - retires with a Tier 1 or Tier 2 ill health pension, or - dies in service if, in the Scheme employer's opinion, the pensionable pay received in relation to an employment (adjusted to reflect any lump sum payments) in the 3 months (or 12 weeks if not paid monthly) preceding the commencement of APP, is materially lower than the level of pensionable pay the member would have normally received, decide whether to substitute a higher level of pensionable pay when calculating APP, having had regard to the level of pensionable pay received by the member in the previous 12 months.	The Employer will not exercise this discretion in general but may consider doing so where there is a sound business or where exceptional circumstances apply. Each case will be considered on its individual merits.

Section 2

Discretions which may be exercised on and after 1 April 2014 relation to members (excluding councillor members) who ceased active membership between 1 April 2008 and 31 March 2014

Mandatory discretions

Discretion	Employer's Policy on the exercise of this discretion
1. Whether to 'switch on' the 85-year rule upon the voluntary early payment of deferred benefits <i>TPSch 2, para 1(2) & 1(1)(C)</i> Whether, as the 85-year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their deferred benefits (on or after 14 May 2018) on or after age 55 and before age 60, to switch the 85-year rule back on in full for such members.	The discretion will not normally be applied by the Employer. Applications may be approved in exceptional circumstances or where there is a sound business case for doing so.
2. Whether to 'switch on' the 85-year rule upon the voluntary early payment of a suspended tier 3 ill health pension <i>TPSch 2, para 1(2) & 1(1)(C)</i> Whether, as the 85-year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their suspended tier 3 ill health pension (on or after 14 May 2018) on or after age 55 and before age 60, to switch the 85-year rule back on in full for such members.	The discretion will not normally be applied by the Employer. Applications may be approved in exceptional circumstances or where there is a sound business case for doing so.
3. Whether to waive upon the voluntary early payment of deferred benefits, any actuarial reduction on compassionate grounds <i>B30(5), TPSch 2, para 2(1)</i> Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.	The Employer will not generally waive the actuarial reduction. The Employer may consider waiving the actuarial reduction where a sound business case exists or where exceptional circumstances apply. Each case will be considered on its individual merits.
4. Whether to waive upon the voluntary early payment of a suspended tier 3 ill health pension, any actuarial reduction on compassionate grounds <i>B30A(5), TPSch 2, para 2(1)</i> Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to any suspended tier 3 ill health pension benefits which are brought back into payment before age 65.	The Employer will not generally waive the actuarial reduction. The Employer may consider waiving the actuarial reduction where a sound business case exists or where exceptional circumstances apply. Each case will be considered on its individual merits.

Section 3

Discretions which may be exercised on and after 1 April 2014 in relation to active and deferred councillor members and any other members who ceased active membership between 1 April 1998 and 31 March 2008

Mandatory discretions

Discretion	Employer's Policy on the exercise of this discretion
1. Whether to 'switch on' the 85-year rule upon the voluntary early payment of deferred benefits <i>TPSch 2, para 1(2) & 1(1)(f) & R60</i> Whether, as the 85-year rule does not automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their deferred benefits (on or after 14 May 2018) on or after age 55 and before age 60, to switch the 85-year rule back on in full for such members.	The discretion will not normally be applied by the Employer. Applications may be considered in exceptional circumstances or where a sound business case exists.
2. Whether to grant early payment of benefits on or after age 50 and prior to age 55 <i>R31(2) LGPS Regulations 1997</i> Whether to grant applications for the early payment of pension benefits on or after age 50 and before age 55.	The Employer will not have a general policy of granting early payment of benefits but will consider requests on a case-by-case basis. The Employer may exercise this discretion where a sound business case can be made for doing so or where other exceptional circumstances arise that make payment of those benefits justifiable.
3. Whether to waive upon the payment of benefits, any actuarial reduction on compassionate grounds <i>R31(5) 1997 & TPSch 2, para 2(1)</i> Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65.	The Employer will not generally waive the actuarial reduction. The Employer may consider waiving the actuarial reduction where a sound business case exists or where exceptional circumstances apply. Each case will be considered on its individual merits.

Section 4

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

Mandatory discretions

Discretion	Employer's Policy on the exercise of this discretion
1. Whether to grant early payment of benefits on compassionate grounds <i>TP3(5A)(vi), TL4, L106(1) 1997 Transitional & D11(2)(c) 1995 Regs</i> Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before NRD.	The discretion will not normally be applied by the Employer. Applications may be approved in exceptional circumstances where individuals can show that there are significant compassionate grounds.

Section 5

Discretions which may be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

Mandatory discretions

Discretion	Employer's Policy on the exercise of this discretion
1. Whether to base redundancy payments on an actual week's pay where this exceeds the statutory week's pay limit <i>R5</i> Whether to base a redundancy payment on an employee's actual weeks' pay where this exceeds the statutory week's pay limit.	The Employer will not generally increase statutory redundancy payments above statutory weekly pay limit.
2. Whether to award lump sum compensation of up to 104 weeks' pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment <i>E6</i> Whether to make a termination payment (inclusive of any redundancy payment) of up to a maximum of 104 weeks' pay to an employee who is, or is eligible to be, a member of the LGPS and whose employment is terminated on the grounds of redundancy or in the interests of the efficient exercise of the employer's functions or, in the case of a joint appointment, because the other holder of the appointment has left it.	The Employer will not exercise this discretion in general.