

# **The 3-18 Education Trust**

## **Pensions Discretion Policy**

***‘Every individual is in a great school.’***

**Approved: Spring Term 2025**  
**Review: Spring Term 2026**

[www.3-18education.co.uk](http://www.3-18education.co.uk)



## **Our Mission**

To celebrate the diverse nature, culture and identity of our individual schools, whilst collaborating and enjoying the benefit of the team.

## **Our Values**

### **Compassionate**

To show care and understanding towards others.

### **Accomplished**

To provide high quality education and training for all.

### **Resilient**

To be solution focused and able to intelligently manage challenges.

**The 3-18 Education Trust**  
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Company Number: 08064698

## Policy Monitoring and Review

### Monitoring

HR in conjunction with the COO and CEO, will monitor the outcomes and impact of this policy/procedure on an annual basis.

This procedure will be reviewed no later than 3 years by HR, in consultation with Trade Unions.

### Review

Member of Staff Responsible	HR Director
Relevant Guidance/Advice/Legal Reference	Shropshire County Pension Fund
Policy Adopted By	Board of Trustees
Consultation	Local Governing Bodies
Date of Policy	Spring Term 2025
Review Period	Annually
Date of Next Review	Spring Term 2026

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## 1. Summary

- 1.1. This document sets out The 3-18 Education Trust's ('Trust') Policy in exercising its discretions under the Local Government Pension Scheme (LGPS) 2014.
- 1.2. Our default position is that the Trust will not make additional pension contributions. However, exceptionally, where it is in the financial interests of the Trust to do so and there is a tangible and specific organisational benefit, the policy allows for the consideration of discretionary benefits.

## 2. Context

- 2.1. The policy satisfies the requirement to formulate, publish and keep under review a policy statement to take account of the new discretions under the LPGS 2014.

## 3. Background

- 3.1. This policy is needed to explain whether and in what circumstances the Trust would exercise any of its discretions under the Local Government Pension Scheme 2014 and to set out the approval process for decision making.

## 4. Objectives

- 4.1. This policy is intended to set out the policy position and clarify the limited circumstances and the related approval process where the Trust might exercise its discretions under the LGPS 2014 in favour of the employee.
- 4.2. The exercise of any of the available discretions in favour of an employee will cause the Trust to incur additional pension costs.
- 4.3. The default position is that the Trust will not grant additional pension benefits under the LGPS 2014 except where it is essential to do so in order to facilitate a tangible and specific organisational benefit and the additional pension costs are recovered within a two year period or where the Trust considers it appropriate to exercise its discretion on compassionate grounds.

## 5. Scope

- 5.1. This policy covers all The 3-18 Education Trust employees who are members of the Local Government Pensions Scheme.

## 6. Policy Details

Discretion	Regulation	Decision
Whether, how much and in what circumstances to contribute to a shared cost Additional Pension Contributions (APC) scheme	R16(2)(e) & R16(4)(d)	<b>The Trust's</b> policy is not to contribute to an employee's APC.

Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)	R30(6) & TP11(2)	<b>The Trust</b> will only exercise this discretion in exceptional circumstances and with the express permission of the CEO after consideration of the financial implications of that decision
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement	R30(8)	<b>The Trust</b> will not waive any actuarial reduction to an employee's pension benefits in these circumstances.
Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member only has post 31 March 2014 membership)	R30(8)	<b>The Trust</b> will not exercise this discretion.
Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (other than on the grounds of flexible retirement)	TPSch 2 para 1 (2) & 1(1)(c)	<b>The Trust</b> will not 'switch on' the 85 Year Rule for early retirement unless a financial saving can be achieved within 2 years and there is a benefit to the Trust. This will require the express permission of the CEO) after consideration of the financial implications of that decision
<p>Whether to waive an actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1 April 2014 and post 31 March 2014 membership):</p> <p>(a) On compassionate grounds (pre 1 April 2014 membership) and in whole or part on any grounds (post 31 March 2014 membership) if the member was not in the Scheme before 1 October 2006</p> <p>(b) On compassionate grounds (pre 1 April 2014 membership) and in whole or in part on any grounds (post 31 March 2014 membership) if the member was in the scheme before 1 October 2006 will not be 60 by 31 March 2016 and will not attain 60 between 1 April 2016 and 31 March 2020 inclusive</p> <p>(c) On compassionate grounds (pre 1 April 2016 membership) and /or, in whole or in part on any grounds (post 31 March 2016 membership) If the member was in the scheme before 1 October 2006 and will be 60 between 1 April 2016</p> <p>(d) On compassionate grounds (pre 1 April 2020 membership) and / or, in whole or in part on any grounds (post 31 March 2020 membership) if the member was in the Scheme before 1 October 2006,</p>	TP3(1),TPSch 2 para 2(1),B30(5) & B30A(5)	<b>The Trust</b> will not exercise this discretion.

will not be 60 by 31 March 2016 and will attain 60 between 1 April 2016 and 31 March 2020 inclusive.		
Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £8,344 p.a – this figure is inflation proofed annually)	R31	<b>The Trust</b> will not award additional pension.
<b>Discretions for members who ceased active membership on or after 1 April 2008 and before 2014</b>		
Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 (member).	B30(5), TPSch 2, para 2(1)	<b>The Trust</b> will not exercise this discretion.
Whether to “switch on” the 85 year rule for a pensioner member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, para 1(2) & 1(1)(c)	<b>The Trust</b> will not ‘switch on’ the 85 Year Rule for early retirement unless a financial saving can be achieved within 2 years and there is a benefit to the Trust. This will require the express permission of the CEO after consideration of the financial implications of that decision
Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A (pensioner member with deferred benefits)	B30A(5), TPSch 2, para 2(1)	<b>The Trust</b> will not exercise this discretion.
<b>Discretions for members who ceased active membership on or after 1 April 1998 and before 1 April 2008</b>		
Grant application for early payment of deferred benefits on or after age 50 and before age 55.	31(2)	<b>The Trust</b> will only exercise this discretion in exceptional circumstances and with the express permission of the CEO after consideration of the financial implications of that decision
Whether to “switch on” the 85 year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, para 1(2) & 1(1)(f) & R60	<b>The Trust</b> will not ‘switch on’ the 85 Year Rule for early retirement unless a financial saving can be achieved within 2 years and there is a benefit to the Trust. This will require the express permission of the CEO after consideration of the financial implications of that decision
Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early.	31(5) & TPSch 2, para 2(1)	<b>The Trust</b> will not exercise this discretion.
<b>Discretions for member who ceased membership before 1 April 1998</b>		
Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds.	TP3(5A)(vi), TL4, L106 (1)	<b>The Trust</b> will only exercise this discretion in exceptional circumstances and with the express permission of the CEO after consideration of the financial implications of that decision