



## **Local Government Pension Scheme Discretionary Policy**

<b>Policy Owner:</b>	SHINE Academies CEO
<b>Policy Date:</b>	July 2025
<b>Policy Review Date:</b>	July 2027

1. This document sets out SHINE Academies policy in exercising its discretions under the Local Government Pension Scheme (LGPS) 2014. 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. This policy covers all employees at SHINE Academies who are members of the Local Government Pensions Scheme.
3. Discretions to be exercised:
  - i) under the LGPS Regulations 2013 from 1 April 2014 in respect of members of the Career Average Revalued Earnings (CARE) scheme,
  - ii) under earlier LGPS Regulations in respect of former employees who were members of the LGPS and who left prior to 1 April 2014,
  - iii) under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and earlier compensation regulations,
  - iv) under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011, and
  - v) under the Local Government Pension Scheme Regulations 1997 in respect of local authority councillor members.

This document will form SHINE Academies policies on pension and compensation discretions. It should be noted that:

- the policies will confer no contractual rights
- SHINE Academies will retain the right to change the policies at any time without prior notice or consultation and
- only the policy which is current at the time a relevant event occurs to an employee / scheme member will be the one applied to that employee / member.

Table A: Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations 2013 in relation to active scheme members and members who cease active membership after 31 March 2014.	SHINE Academies policy
<p>1. Whether, at full cost to SHINE Academies, to grant extra annual pension of up to £8,903 (figure at 1 April 2025<sup>1</sup>) to an active scheme member or, within 6 months of leaving, to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency.</p>	<p>SHINE Academies will not make use of the discretion to grant extra annual pension of up to £8,903 (figure at 1 April 2025) to an active scheme member or, within 6 months of leaving, to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency, except in exceptional circumstances where SHINE Academies considers it is in its financial or operational interests to do so. Each case will be considered on its individual merits and must be supported by a strong business case.</p>
<p>2. Whether, where an active scheme member wishes to purchase extra annual pension of up to £8,903 (figure at 1 April 2025<sup>2</sup>) by making Additional Pension Contributions (APCs), SHINE Academies will voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).</p>	<p>SHINE Academies will only voluntarily contribute towards the cost of purchasing extra pension via a Shared Cost Additional Pension Contribution (SCAPC) in the following two situations:</p> <p>1. Where an active scheme member returns from a period of authorised leave of absence, and:</p>

<sup>1</sup> The figure of £6,500 that applied at April 2014 is increased each April (starting April 2015) under the Pension (Increase) Act 1971 (as if it were a pension with a PI date of 1 April 2013).

<sup>2</sup> The figure of £6,500 that applied at April 2014 is increased each April (starting April 2015) under the Pension (Increase) Act 1971 (as if it were a pension with a PI date of 1 April 2013).

	<ul style="list-style-type: none"> <li>• the member does not, within 30 days of returning from that leave of absence, make an election to buy back the amount of pension ‘lost’ during the period of leave; and</li> <li>• it can be demonstrated that the reason the member missed the original 30-day deadline was that they had not been made aware of it; and</li> <li>• the member subsequently makes an election to buy back the ‘lost’ pension while still an active member; and</li> <li>• the election is made no more than 3 months after the member returns from the period of leave of absence (or such longer period as SHINE Academies may deem reasonable in any individual case).</li> </ul> <p>A decision as to whether the above conditions are met, and whether to extend the 3-month period in any case, will be made by the Chief Executive Officer or their delegated authority.</p> <p>Where all conditions are satisfied, SHINE Academies will contribute two-thirds (2/3) of the cost of buying back the ‘lost’ pension via a SCAPC.</p> <p>2. In exceptional circumstances, where SHINE Academies considers that it is in its financial or operational interests to contribute towards the cost of purchasing extra pension via a SCAPC.</p> <p>Each such case will be considered on its individual merits, based on a financial and/or operational business case submitted by the relevant Headteacher or senior leader. The final decision, including whether to contribute and the amount to be contributed, will be made by the Chief Executive Officer or their delegated authority.</p>
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<p>3. Whether to permit flexible retirement for staff aged 55<sup>3</sup> or over who, with the agreement of SHINE Academies reduce their working hours or grade and, if so, as part of the agreement:</p> <ul style="list-style-type: none"> <li>- whether, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw if flexible retirement is agreed), to permit the member to choose to draw <ul style="list-style-type: none"> <li>• all, part or none of the pension benefits they accrued after 31 March 2008 and before 1 April 2014, and / or</li> <li>• all, part or none of the pension benefits they accrued after 31 March 2014, and</li> </ul> </li> <li>- 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 (NPA) <sup>4</sup>.</li> </ul>	<p>SHINE Academies will not agree to flexible retirement except in circumstances where it considers that doing so is in its financial or operational interests. Each case will:</p> <ul style="list-style-type: none"> <li>• be considered on its individual merits, based on the financial and/or operational business case submitted;</li> <li>• specify whether, in addition to any pre-1 April 2008 benefits (which must be taken), the member will be permitted, as part of the flexible retirement agreement, to draw: <ul style="list-style-type: none"> <li>a) all, some or none of the benefits accrued between 1 April 2008 and 31 March 2014; and/or</li> <li>b) all, some or none of the benefits accrued after 31 March 2014; and</li> </ul> </li> <li>• require the approval of the Chief Executive Officer.</li> </ul> <p>Where flexible retirement is agreed, the pension benefits payable will be subject to any actuarial reduction that</p>
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<sup>3</sup> Age 50 for those LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies. Such members only need the employer's permission to reduce their working hours or grade but, if that permission is given, do not require their employer's permission to draw their benefits (as such members have the automatic right to take the benefits by virtue of regulation 18A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014).

<sup>4</sup> NPA means the employee's individual State Pension Age at the time the employment is terminated, but with a minimum of age 65 (although, the NPA for membership accrued prior to 1 April 2014 is still linked to age 65, apart from those LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies for whom the NPA for membership accrued prior to 1 April 2014 is, by virtue of that regulation and regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, still linked to age 60, and those LGPS members who are employees of the Meat Hygiene Service in the London Pension Fund Authority fund who are covered by regulation 144B of the LGPS Regulations 1997 for whom the NPA for membership accrued prior to 1 April 2014 is, by virtue of that regulation and regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, still linked to age 60). State Pension Age is currently age 65 for men. State Pension Age for women is currently being increased to be equalised with that for men and will reach 65 by November 2018. The State Pension Age will then increase to 66 for both men and women from December 2018 to October 2020. Under current legislation the State Pension Age is due to rise to 67 between 2026 and 2028 and to 68 between 2044 and 2046. However, the government has announced plans to link rises in the State Pension Age above age 67 to increases in life expectancy.

	<p>applies under the Local Government Pension Scheme Regulations and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.</p> <p>SHINE Academies will only waive such a reduction, in whole or in part, where it considers this to be in its financial or operational interests. Each case will be assessed on the merits of the business case submitted, and any waiver will require the approval of the Chief Executive Officer, including approval of the amount to be waived where only a partial waiver is proposed.</p>
<p>4. Whether, as the 85 year rule does not (other than on flexible retirement – see 3 above) <u>automatically</u> apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60, to apply the 85 year rule<sup>5</sup> to such voluntary retirements.</p>	<p>SHINE Academies will not agree to apply the 85 year rule where members choose to voluntarily draw their benefits on or after age 55 and before age 60, except in circumstances where SHINE Academies considers it is in its financial or operational interests to do so. Each case:</p> <ul style="list-style-type: none"> <li>• will be considered on the merits of the financial and/or operational business case put forward, and</li> <li>• will require the approval of the Chief Executive Officer.</li> </ul>
<p>5. For:</p>	<p>Where members choose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age, SHINE Academies will not agree to waive, in whole</p>

<sup>5</sup> The 85 year rule does not apply to former members of the Metropolitan Civil Staffs Superannuation Scheme, or Meat Hygiene Service members, or civil servants transferred to the Environment Agency who by virtue of regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 are subject to, respectively, regulation 144A of, and Schedule 7 to, the LGPS Regulations 1997, regulation 144B of the LGPS Regulations 1997 and regulation 15 of the LGPS (Transitional Provisions) Regulations 2008.

<p>i) active members voluntarily retiring on or after age 55<sup>6</sup> and before Normal Pension Age who elect under regulation 30(5) of the LGPS Regulations 2013 to immediately draw benefits, and</p> <p>ii) deferred members and suspended Tier 3 ill health pensioners who elect under regulation 30(5) of the LGPS Regulations 2013 to draw benefits (other than on ill health grounds) on or after age 55<sup>7</sup> and before Normal Pension Age</p> <p>who:</p> <ul style="list-style-type: none"> <li>- were <u>not</u> members of the LGPS before 1 October 2006 [Group 4 members], whether to: <ul style="list-style-type: none"> <li>○ waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits, if any, accrued before 1 April <u>2014</u>, and / or</li> <li>○ waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2014</u></li> </ul> </li> <li>- <u>were</u> members of the LGPS before 1 October 2006 and <u>will</u> be 60 or more on 31 March 2016 [Group 1 members], whether to: <ul style="list-style-type: none"> <li>○ waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April <u>2016</u>, and / or</li> <li>○ waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2016</u></li> </ul> </li> </ul>	<p>or in part, any actuarial reduction that would otherwise be applied to their benefits except in circumstances where SHINE Academies considers it is in its financial or operational interests to do so, or where there are compelling compassionate reasons for doing so.</p> <p>Each case:</p> <ul style="list-style-type: none"> <li>• will be considered on the merits of the financial and/or operational business case put forward, or</li> <li>• will be considered on the merits of the compassionate case put forward, and</li> <li>• will require the approval of the Chief Executive Officer, including, where the reduction is only to be waived in part, approval for the amount of reduction to be waived.</li> </ul>
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<sup>6</sup> Age 50, by virtue of regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, for those LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies and those civil servants transferred to the Environment Agency to whom regulation 15 of the LGPS (Transitional Provisions) Regulations 2008 applies.

<sup>7</sup> Age 50, by virtue of regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, for those LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies and who are electing for early payment of a deferred benefit (but not if they are electing for early payment of a suspended Tier 3 ill health pension) and those civil servants transferred to the Environment Agency to whom regulation 15 of the LGPS (Transitional Provisions) Regulations 2008 applies and who are electing for early payment of a deferred benefit or early payment of a suspended Tier 3 ill health pension.

<ul style="list-style-type: none"> <li>- <u>were</u> members of the LGPS before 1 October 2006 and will <u>not</u> be 60 or more on 31 March 2016 and will <u>not</u> attain age 60 between 1 April 2016 and 31 March 2020 [Group 3 members], whether to: <ul style="list-style-type: none"> <li>○ waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April <u>2014</u>, and / or</li> <li>○ waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2014</u></li> </ul> </li> <li>- <u>were</u> members of the LGPS before 1 October 2006 and will <u>not</u> be 60 or more on 31 March 2016 but <u>will</u> attain age 60 between 1 April 2016 and 31 March 2020 [Group 2 members], whether to: <ul style="list-style-type: none"> <li>○ waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April <u>2020</u>, and / or</li> <li>○ waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2020</u></li> </ul> </li> </ul>	
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