



# **Haberdashers' West Midlands Academies Trust**

## **Haberdashers' Abraham Darby**

### **Haberdashers' Adams**

#### **PENSION DISCRETIONS POLICY**

#### **LOCAL GOVERNMENT PENSION SCHEME**

**2025-2028**

<b>Pension Discretions Policy</b>	
<b>Named Responsibility of Policy</b>	Chief Financial Officer/CEO
<b>Date of Policy</b>	November 2025
<b>Date of next Review</b>	November 2028
<b>Governor Accountability</b>	Trust Board

## ➤ **Summary**

This document sets out Haberdashers' West Midlands Academies Trust's (HWMAT) 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 tangible and specific organisational benefit, the policy allows for the consideration of discretionary benefits.

## ➤ **Context**

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

## ➤ **Background**

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

## ➤ **Objectives**

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.

The exercise of any of the available discretions in favour of an employee will cause the Trust to incur additional pension costs.

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.

## ➤ **Scope**

This policy covers all HWMAT's employees who are members of the Local Government Pension Scheme.

## ➤ **Policy Details**

### **1. Power of employing authority to award additional pension**

The Trust will only consider the award of additional pension having regard to the following:

- the member's personal circumstances.
- the interests of the Trust.
- the additional contributions due to the Fund by the Trust in respect of the exercise of this discretion.
- any potential benefits or savings to the Trust arising from the exercise of this discretion.
- other options that are, from time to time, available under the Trust's severance arrangements.
- the funding position of the Trust within the Shropshire County Pension Fund.
- the ability of the Trust to meet the cost of granting such an award.

## **2. Ability to contribute to a Shared Cost Additional Pension Contribution (SCAPC)**

The Trust will not make use of the discretion to voluntarily contribute towards the cost of purchasing extra pension via a SCAPC.

## **3. Whether to permit flexible retirement**

The Trust will consider applications made under this Regulation having regard to the particular circumstances surrounding each case. Decisions will be made on the merits of each case having particular regard to:

- the operating requirements of the employing department.
- the Trust's ability to meet the cost of granting such a request.
- whether any demonstrable cost saving in excess of potential savings available under any severance arrangements in place from time to time can be made.
- the member's personal circumstances.

Applications for the payment of unreduced benefits in these circumstances will be granted if:

- in the Trust's sole opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided justify approval and:
- the Trust can meet the cost of granting such a request.

## **4. Whether, as the 85 year rule does not (other than on flexible retirement – see 3 above) automatically 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 to such voluntary retirements.**

The Trust 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 the Trust considers it is in its financial or operational interests to do so. Each case

- will be considered on the merits of the financial and/or operational business case put forward, and
- will require the approval of the Trust

## **5. Choice of early payment of pension**

Where members choose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age the Trust will not agree to waive in whole or in part any actuarial reduction that would otherwise be applied to their benefits except in circumstances where the Trust considers it is in its financial or operational interests to do so or there are compelling compassionate reasons for doing so.

Each case will:

- be considered on the merits of the financial and/or operational business case put forward **or**:
- will be considered on the merits of the compassionate case put forward **and**:
- will require the approval of the Trust including, where the reduction is only to be waived in part, approval for the amount of reduction to be waived

#### **6. Shared Cost Additional Voluntary Contributions (SCAVCs)**

The Trust does not consider contribution towards a SCAVC scheme to be an essential part of its strategy for the recruitment and retention of employees. Applications for the purchase of SCAVCs, and consideration of any amount so payable, will only be considered in exceptional circumstances having particular regard to the Trust's general policy, from time to time, on the employee remuneration package, whether the contribution to a SCAVC is in the Trust's interest and following consultation with the Shropshire County Pension Fund's Actuary.

#### **7. Whether to extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in England or Wales following the cessation of an employment (or cessation of a concurrent employment) after 31 March 2014 may elect not to have the 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 Trust will not extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in England or Wales following the cessation of an employment (or cessation of a concurrent employment) after 31 March 2014 may elect not to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment).

#### **8. Whether, with the agreement of the Pension Fund administering authority, to permit a Scheme member to elect to transfer other pension rights into the LGPS if he/she has not made such an election within 12 months of joining the LGPS.**

The Trust will not extend the 12 month time limit within which a scheme member must make an election to transfer other pension rights into the LGPS after joining the LGPS.

#### **9. How the pension contribution band/rate to which an employee is to be allocated will be determined on joining the Scheme and at each subsequent April, and the circumstances in which the employer will, in addition to the review each April, review the pension contribution band/rate to which an employee has been allocated consequent upon a material change which affects the member's pensionable pay in the course of a Scheme year (1 April to 31 March).**

**10. Whether or not, when calculating Assumed Pensionable Pay (APP) when a member is:**

- on reduced contractual pay or no pay on 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 (other than any part of that leave where the pensionable pay received is greater than the assumed pensionable pay for that part of the leave period), 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.**

In assessing Assumed Pensionable Pay (APP) The Trust will not include in the calculation any regular lump sum payments.

➤ **Monitoring and Review**

The Chief Financial Officer, in conjunction with the 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 the Chief Financial Officer/CEO.