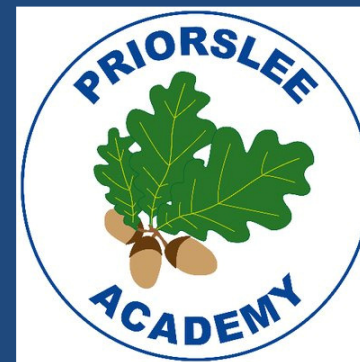


PRIORSLEE MULTI ACADEMY TRUST

LOCAL GOVERNMENT PENSION SCHEME DISCRETIONARY POLICY



REVIEWED APRIL 2017

Priorslee Multi Academy Trust discretionary policies under the Local Government Pension Scheme Regulations and other related Regulations

Summary

1. This report makes recommendations for **Priorslee Multi Academy Trust** policies on 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

The Local Government Pension Scheme has been adopted by Priorslee Multi Academy Trust

Background

2. On **27/04/2017** the **Finance Committee** agreed the discretionary policies for **Priorslee Multi Academy Trust and this is to be ratified by the Directors at the Directors Meeting on 25th May 2017**
3. In March 2011, the Independent Public Service Pensions Commission, chaired by Lord Hutton, published its final report of the review of public service pensions. The report made clear that change was needed to “make public service pension schemes simpler and more transparent, [and] fairer to those on low and moderate earnings”.
4. As a result, it was decided that the Local Government Pension Scheme (LGPS) should be reformed so that, from 1 April 2014, benefits accrue on a Career Average Revalued Earnings (CARE) basis rather than on a final salary basis.
5. The provisions of the CARE scheme, together with the protections for members’ accrued pre 1 April 2014 final salary pension rights, are contained in the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.

6. As a result of the changes, **Priorslee Multi Academy Trust** is legally required to formulate, publish and send to the LGPS pension fund administering authority a written Statement of Policy on certain discretions under the LGPS which **Priorslee Multi Academy Trust** has the power to exercise on and from 1 April 2014 in relation to members of the CARE scheme.
7. **Priorslee Multi Academy Trust** is also legally required to (or where there is no requirement, is recommended to) formulate, publish and keep under review a Statement of Policy on certain other discretions it may exercise:
 - i) under earlier LGPS Regulations in respect of former employees who were members of the LGPS and who left prior to 1 April 2014, and
 - ii) under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and earlier compensation regulations in relation to employees who are, or are eligible to be, members of the LGPS, and
 - iii) under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.
8. Any amended policy under paragraph 10(i) above must be published and sent to the LGPS pension fund administering authority within one month of the date the revisions to the policy were made.
9. Any amended policy under the paragraph 10(ii) above must be published and, in respect of any changes relating to awards under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000, the change must be published within one month of the decision to amend the policy.
10. Any amended policy under the paragraph 10(iii) above must be published.
11. Overall, **Priorslee Multi Academy Trust** is:
 - i) required to formulate, publish and keep under review a written Statement of Policy on certain discretions in accordance with:
 - regulation 60 of the Local Government Pension Scheme Regulations 2013,
 - paragraph 2(2) of Schedule 2 to the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014,
 - regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008 (in respect of former employees who were members of the LGPS and who left between 1 April 2008 and 31 March 2014),

- regulation 106 of the Local Government Pension Scheme Regulations 1997 (in respect of former employees who were members of the LGPS and who left between 1 April 1998 and 31 March 2008), and
 - regulation 106 of the Local Government Pension Scheme Regulations 1997 in respect of local authority councillor members.
- ii) recommended to formulate, publish and keep under review a written Statement of Policy on one discretion under the Local Government Pension Scheme Regulations 1995 (in respect of leavers before 1 April 1998).
 - iii) required to formulate, publish and keep under review a written Statement of Policy on certain discretions in accordance with regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, which were operative from 1 October 2006.
 - iv) required to formulate, publish and keep under review a written Statement of Policy on certain discretions in accordance with regulation 26 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000, operative from 1 October 2000 for terminations of employment on redundancy or efficiency grounds that occurred prior to 1 April 2007.
 - v) required to formulate, publish and keep under review a written Statement of Policy on certain discretions relating to injury allowances under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.
12. In formulating and reviewing its policies under the LGPS Regulations referred to in paragraphs 14(i) and (ii) above **Priorslee Multi Academy Trust** is required to have regard to the extent to which the exercise of its discretionary powers might lead to a serious loss of confidence in the public service.
 13. In formulating and reviewing its policies under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 and 2006 referred to in paragraphs 14(iii) and (iv) above **Priorslee Multi Academy Trust**:
 - i) is required to have regard to the extent to which the exercise of its discretionary powers (in accordance with the policy), unless properly limited, could lead to a serious loss of confidence in the public service, and
 - ii) must be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.
 14. In formulating and reviewing its policies under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 referred to in paragraphs 14(v) above **Priorslee Multi Academy Trust**:

- i) is required to have regard to the extent to which the exercise of its discretionary powers (in accordance with the policy), unless properly limited, could lead to a serious loss of confidence in the public service, and
- ii) must be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

Decisions required

15. **Priorslee Multi Academy Trust** is asked:

- i) to approve the policies on the discretions to be exercised under the LGPS Regulations in respect of those employees who are active scheme members after 31 March 2014 and members and who cease active membership after 31 March 2014, as set out in the table at Annex 1, and
- ii) to approve the policies on the discretions to be exercised under the LGPS Regulations in respect of former employees who were scheme members and who left prior to 1 April 2014 (and in respect of local authority councillor members), as set out in the table at Annex 2, and
- iii) to approve the policies on the discretions to be exercised under the Discretionary Compensation Regulations, as set out in the table at Annex 3.
- iv) to endorse the continuation of current policies on the discretions to be exercised under the Injury Allowance Regulations as set out in the table at Annex 4.

Consultation

16. **Priorslee Multi Academy Trust** is not required to consult with **any recognised union(s)** when **Priorslee Multi Academy Trust** intends to adopt new, or change existing, discretionary policies.

Effective date of policies

17. The policies on discretions to be exercised under the LGPS Regulations 2013 take immediate effect from the date **Priorslee Multi Academy Trust** agrees the policies. Any change to the policies on existing discretions to be exercised under the LGPS Regulations in respect of former employees who were members of the scheme and who left pre 1 April 2014 (and in respect of local authority councillor members) take immediate effect from the date **Priorslee Multi Academy Trust** agrees the policies.

18. Any change to the discretions exercised under the Discretionary Compensation Regulations cannot take effect until one month after the date **Priorslee Multi Academy Trust** publishes a statement of its amended policy.
19. Any change to the discretions exercised under the Injury Allowances Regulations cannot take effect until one month after the date **Priorslee Multi Academy Trust** publishes a statement of its amended policy.

Non-fettering of discretions

20. The recommendations contained within this report, if approved, will form **Priorslee Multi Academy Trust** policies on pension and compensation discretions. It should be noted that:
 - the policies will confer no contractual rights
 - subject to paragraphs 20 to 22, **Priorslee Multi Academy Trust** 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.

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Date:

Annex 1

Table A: Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations 2013 in relation to active scheme members (other than local authority councillor members) and members who cease active membership after 31 March 2014 (other than local authority councillor members).	Priorslee Multi Academy Trust policy
<p>1. Whether, at full cost to Priorslee Multi Academy Trust, to grant extra annual pension of up to £6,675 (figure at 1 April 2015¹) 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>Priorslee Multi Academy Trust will not make use of the discretion to grant extra annual pension of up to £6,675 (figure at 1 April 2015) 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 Priorslee Multi Academy 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.</p>

¹ 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).

2. Whether, where an active scheme member wishes to purchase extra annual pension of up to £6,675 (figure at 1 April 2015²) by making Additional Pension Contributions (APCs), **Priorslee Multi Academy Trust** will voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).

Priorslee Multi Academy Trust will only voluntarily contribute towards the cost of purchasing extra pension via a Shared Cost Additional Pension Contribution (SCAPC) in two situations. Firstly, where:

- an active scheme member returns from a period of authorised leave of absence, and
- the member does not, within 30 days of returning from the leave of absence, make an election to buy-back the amount of pension 'lost' during that period of leave of absence, and
- the member subsequently makes an election to do so whilst an active member and it can be demonstrated that the reason for the member missing the original 30 day deadline was because the member had not been made aware of that deadline, and
- 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 **Priorslee Multi Academy Trust** may deem reasonable in any individual case.

A decision on whether the member meets the above criteria (and on whether the 3 month period referred to should be extended in any individual case) will be taken by **the Finance Committee** and, where it is agreed that the conditions are met, **Priorslee Multi Academy Trust** will be required to contribute 2/3rds of the cost of buying back the 'lost' pension via a SCAPC.

Continued/...

² 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).

	<p>Secondly, in exceptional circumstances where Priorslee Multi Academy Trust considers it is in its financial or operational interests to do so. Each case to contribute to a SCAPC (and a decision on the amount to be contributed) will be considered on the merits of the financial and / or operational business case put forward.</p>
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<p>3. Whether to permit flexible retirement for staff aged 55³ or over who, with the agreement of Priorslee Multi Academy Trust, reduce their working hours or grade and, if so, as part of the agreement:</p> <ul style="list-style-type: none"> - 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"> • 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 (NPA) ⁴. 	<p><u>Flexible retirement</u> Priorslee Multi Academy Trust will not agree to flexible retirement except in circumstances where Priorslee Multi Academy Trust considers it is in its financial or operational interests to do so. Each case</p> <ul style="list-style-type: none"> - will be considered on the merits of the financial and / or operational business case put forward, - will set out whether, in addition to any pre 1 April 2008 benefits, the member will be permitted, as part of the flexible retirement agreement, to take <ul style="list-style-type: none"> a) all, some or none of their 1 April 2008 to 31 March 2014 benefits, and /or b) all, some or none of their post 31 March 2014 benefits, and - will require the approval of the Finance Committee. <p><u>Waiver of any actuarial reduction on flexible retirement</u> Where flexible retirement is agreed, the benefits payable will be subject to any actuarial reduction applicable under the Local Government Pension Scheme Regulations and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.</p>
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³ 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).

⁴ 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>Priorslee Multi Academy Trust will only waive any such reduction, in whole or in part, where it 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 Finance Committee including, where the reduction is only to be waved in part, approval for the amount of reduction to be waived.</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 rule⁵ to such voluntary retirements.</p>	<p>Priorslee Multi Academy 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 Priorslee Multi Academy Trust considers it is in its financial or operational interests to do so. Each case</p> <ul style="list-style-type: none"> - will be considered on the merits of the financial and / or operational business case put forward, and - will require the approval of the Finance Committee.

⁵ 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>5. For:</p> <ul style="list-style-type: none"> i) active members voluntarily retiring on or after age 55⁶ and before Normal Pension Age who elect under regulation 30(5) of the LGPS Regulations 2013 to immediately draw benefits, and 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 55⁷ and before Normal Pension Age <p>who:</p> <ul style="list-style-type: none"> - were <u>not</u> members of the LGPS before 1 October 2006 [Group 4 members], whether to: <ul style="list-style-type: none"> o 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 o 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> - <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: - 	<p>Where members choose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age Priorslee Multi Academy 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 Priorslee Multi Academy Trust considers it is in its financial or operational interests to do so or there are compelling compassionate⁸ reasons for doing so.</p> <p>Each case</p> <ul style="list-style-type: none"> - 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 Finance Committee including, where the reduction is only to be waved in part, approval for the amount of reduction to be waived
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⁶ 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.

⁷ 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.

⁸ There is no definition in the Regulations of "compassionate grounds". However, one could take the view that, for example, releasing benefits because the member is short of funds / out of work would not be appropriate (as the pension scheme is not a social security scheme); whereas, for example, releasing benefits because the member has had to give up work to look after orphaned grandchildren would clearly be a case where an employer might wish to exercise compassion.

- waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April 2016, and / or
- waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2016
- were members of the LGPS before 1 October 2006 and will not be 60 or more on 31 March 2016 and will not attain age 60 between 1 April 2016 and 31 March 2020 [Group 3 members], whether to:
 - waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued 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 accrued after 31 March 2014
- were members of the LGPS before 1 October 2006 and will not be 60 or more on 31 March 2016 but will attain age 60 between 1 April 2016 and 31 March 2020 [Group 2 members], whether to:
 - waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued 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 accrued after 31 March 2020

<p>6. Whether, how much, and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement entered into on or after 1 April 2014 and whether, how much, and in what circumstances to continue to contribute to any shared cost Additional Voluntary Contribution (SCAVC) arrangement entered into before 1 April 2014.</p>	<p>Priorslee Multi Academy Trust will not enter into a shared cost AVC arrangement other than in exceptional circumstances in which case the decision to contribute, and the amount of the contribution, will be subject to the approval of the Finance Committee</p>
<p>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).</p>	<p>Priorslee Multi Academy Trust will only 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):</p> <ul style="list-style-type: none"> a) where Priorslee Multi Academy Trust agrees that the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration; b) where Priorslee Multi Academy Trust agrees that the available evidence indicates the member had made an election within 12 months of joining the LGPS but the election was not received by the Pension Fund administering authority (e.g. the election form was lost in the post); or c) where the member has pre 1 April 2014 membership and Priorslee Multi Academy Trust agrees the available evidence indicates that, due to maladministration, the member had not been informed of the implications of having benefits aggregated and would, in consequence, suffer a detriment to their pension benefits

	<p>(for example, where member's whole-time equivalent pensionable pay on commencing with Priorslee Multi Academy Trust is, in real terms after allowing for inflation, significantly less than the whole-time equivalent pensionable pay upon which the deferred benefits were calculated).</p>
<p>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.</p>	<p>Priorslee Multi Academy Trust will only 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:</p> <ul style="list-style-type: none"> - where the member asked for transfer investigations to be commenced within 12 months of joining the LGPS but a quotation of what the transfer value will purchase in the LGPS has not been provided to the member within 11 months of joining the LGPS. The time limit for such a member to make a formal election to transfer pension rights into the LGPS will be extended to one month beyond the date of the letter issued by the Pension Fund administering authority notifying the Scheme member of the benefits the transfer will buy in the LGPS; - where the available evidence indicates the member made an election within 12 months of joining the LGPS, but the election was not received by the Pension Fund administering authority (e.g. the election form was lost in the post); - where the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration.

<p>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).</p>	<p>The Trust will reallocate members to a new contribution rate each 1st April.</p>
<p>10. Whether or not, when calculating assumed pensionable pay when a member (other than a returning officer⁹) is:</p> <ul style="list-style-type: none"> - 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 <p>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.</p>	<p>In assessing Assumed Pensionable Pay (APP) Priorslee Multi Academy Trust will not, other than in exceptional circumstances, include in the calculation any 'regular lump sum payments' in which case the decision to include the 'regular lump sum payment' will be subject to the approval of the Finance Committee.</p>

⁹ i.e. a returning officer or acting returning officer at local government elections, or elections for the National Assembly of Wales, or Parliamentary elections or European Parliamentary elections.

Annex 2

Table B: Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 April 2008 and 31 March 2014 (other than local authority councillor members)	Priorslee Multi Academy Trust policy
<p>1. Whether¹⁰ to grant applications for the early payment of deferred pension benefits on or after age 55¹¹ and before age 60 (on grounds other than permanent ill health).</p>	<p>Where a former scheme member who left the scheme between 1 April 2008 and 31 March 2014 requests early release of deferred benefits on or after age 55 and before age 60 (on grounds other than permanent ill health), approval will only be given on compassionate grounds¹². Each case will be considered on its merits and will be subject to the approval of the Finance Committee. Subject to entry 2 below, the benefits payable in such circumstances will be subject to any actuarial reduction applicable under the relevant LGPS Regulations.</p>
<p>2. Whether, on compassionate grounds¹³, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65¹⁴.</p>	<p>Priorslee Multi Academy Trust will consider an application to waive, on compassionate grounds, any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65. Each case will be considered on its merits and will be subject to the approval of the Finance Committee.</p>

¹⁰ This discretion does not apply to those LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies or to those LGPS members who are former members of the Metropolitan Civil Staffs Superannuation Scheme and who are covered by regulation 144A of, and Schedule 7 to, the LGPS Regulations 1997 or to former NHS Scheme members who are covered by regulation 23 of the LGPS (Transitional Provisions) Regulations 1997 (as such members have the automatic right to take benefits on or after age 50 and before age 60).

¹¹ Age 50 for those civil servants transferred to the Environment Agency to whom regulation 15 of the LGPS (Transitional Provisions) Regulations 2008 applies.

¹² There is no definition in the Regulations of “compassionate grounds”. However, one could take the view that, for example, releasing benefits because the member is short of funds / out of work would not be appropriate (as the pension scheme is not a social security scheme); whereas, for example, releasing benefits because the member has had to give up work to look after orphaned grandchildren would clearly be a case where an employer might wish to exercise compassion.

¹³ There is no definition in the Regulations of “compassionate grounds”. However, one could take the view that, for example, waiving a reduction because the member is short of funds / out of work would not be appropriate (as the pension scheme is not a social security scheme); whereas, for example, releasing benefits because the member has had to give up work to look after orphaned grandchildren would clearly be a case where an employer might wish to exercise compassion.

¹⁴ Age 60 in the case of members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies, and for employees of the Meat Hygiene Service in the London Pension Fund Authority fund who are covered by regulation 144B of the LGPS Regulations 1997, and for former members of the Metropolitan Civil Staffs Superannuation Scheme and who are covered by regulation 144A of, and Schedule 7 to, the LGPS Regulations 1997, and for former NHS Scheme members who are covered by regulation 23 of the LGPS (Transitional Provisions) Regulations 1997.

<p>3. Whether¹⁵ to grant applications for the early payment of a suspended Tier 3 ill health pension on or after age 55¹⁶ and before age 60 (on grounds other than permanent ill health).</p>	<p>Where a former scheme member who left the scheme between 1 April 2008 and 31 March 2014 requests early release of deferred benefits on or after age 55 and before age 60 (on grounds other than permanent ill health), approval will only be given on compassionate grounds¹⁷. Each case will be considered on its merits and will be subject to the approval of the Finance Committee. Subject to entry 4 below, the benefits payable in such circumstances will be subject to any actuarial reduction applicable under the relevant LGPS Regulations.</p>
<p>4. Whether, on compassionate grounds¹⁸, 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 65¹⁹.</p>	<p>Priorslee Multi Academy Trust will consider an application to waive, on compassionate grounds, any actuarial reduction that would normally be applied to a suspended Tier 3 ill health pension which is brought back into payment before age 65. Each case will be considered on its merits and will be subject to the approval of the Finance Committee.</p>

¹⁵ This discretion does not apply to those LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies or to those LGPS members who are former members of the Metropolitan Civil Staffs Superannuation Scheme and who are covered by regulation 144A of, and Schedule 7 to, the LGPS Regulations 1997 or to former NHS Scheme members who are covered by regulation 23 of the LGPS (Transitional Provisions) Regulations 1997 (as such members have the automatic right to take benefits on or after age 50 and before age 60).

¹⁶ Age 50 for those civil servants transferred to the Environment Agency to whom regulation 15 of the LGPS (Transitional Provisions) Regulations 2008 applies.

¹⁷ There is no definition in the Regulations of “compassionate grounds”. However, one could take the view that, for example, releasing benefits because the member is short of funds / out of work would not be appropriate (as the pension scheme is not a social security scheme); whereas, for example, releasing benefits because the member has had to give up work to look after orphaned grandchildren would clearly be a case where an employer might wish to exercise compassion.

¹⁸ There is no definition in the Regulations of “compassionate grounds”. However, one could take the view that, for example, waiving a reduction because the member is short of funds / out of work would not be appropriate (as the pension scheme is not a social security scheme); whereas, for example, releasing benefits because the member has had to give up work to look after orphaned grandchildren would clearly be a case where an employer might wish to exercise compassion.

¹⁹ Age 60 in the case of members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies, and for employees of the Meat Hygiene Service in the London Pension Fund Authority fund who are covered by regulation 144B of the LGPS Regulations 1997, and for former members of the Metropolitan Civil Staffs Superannuation Scheme and who are covered by regulation 144A of, and Schedule 7 to, the LGPS Regulations 1997, and for former NHS Scheme members who are covered by regulation 23 of the LGPS (Transitional Provisions) Regulations 1997.

Annex 3

Table E: Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006	Priorslee Multi Academy Trust policy
<p>1. Whether to base a redundancy payment on an employee's actual weeks' pay where this exceeds the statutory week's pay limit of, currently, £475 per week (as at 6 April 2015).</p>	<p>Any redundancy payment will normally be calculated on an employee's actual week's pay but may, in exceptional circumstances, be limited to the statutory weeks' pay limit where pay exceeds that limit.</p> <p>Continuous local government service, as defined under the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999, will be taken into account in the calculation of redundancy payments.</p>
<p>1. Whether to make a termination payment (inclusive of any redundancy payment) of up to a maximum of 104 weeks' pay to employees whose employment is terminated on the grounds of redundancy or efficiency of the service.</p>	<p>A termination payment will not automatically be paid to employees whose employment is terminated on the grounds of efficiency of the service. Instead, Priorslee Multi Academy Trust will determine each case on its merits, taking into account business and operational factors (with the maximum severance payment being no greater than would have applied under the redundancy severance policy).</p>

Table F: Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000	Priorslee Multi Academy Trust policy
<p>1. How any surviving spouses or civil partner's annual compensatory added years pension is to be apportioned where the deceased person is survived by more than one spouse or civil partner.</p>	<p>Priorslee Multi Academy Trust will apportion any surviving spouse's or civil partner's annual compensatory added years pension where the deceased person is survived by more than one spouse or civil partner in such proportions as, at its sole discretion, it sees fit (based on the merits of the individual cases).</p>
<p>2. Whether, if the spouse or civil partner of a person who ceased employment before 1 April 1988 remarries, enters into a civil partnership or cohabits after 1 April 1998, the normal annual compensation suspension rules will be disapplied i.e. the spouse's or civil partner's annual compensatory added years pension will continue to be paid.</p>	<p>If the spouse or civil partner of a person who ceased employment before 1 April 1998 remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal annual compensation suspension rules will be disapplied i.e. the spouse's or civil partner's annual compensatory added years pension will continue to be paid.</p>
<p>3. Whether, where the spouse or civil partner of a person who ceased employment before 1 April 1998 with an award of compensatory added years remarries or cohabits or enters into a civil partnership on or after 1 April 1998 with another person who is also entitled to a spouse's or civil partner's compensatory added years pension, the normal rule requiring one of them to forego payment whilst the period of marriage, civil partnership or co-habitation lasts, should be disapplied i.e. whether the spouses' or civil partners' compensatory added years pension should continue to be paid to both of them.</p>	<p>If the spouse or civil partner of a person who ceased employment before 1 April 1998 with an award of compensatory added years remarries or cohabits or enters into a civil partnership on or after 1 April 1998 with another person who is also entitled to a spouse's or civil partner's compensatory added years pension, the normal rule requiring one of them to forego payment whilst the period of marriage, civil partnership or co-habitation lasts, will continue to be applied i.e. the spouses' or civil partners' compensatory added years pension will only be payable to one of them (being whichever one they choose).</p>

<p>4. How, if compensatory added years were awarded to an employee who was not in the LGPS (because the employee had not joined or had opted out of the LGPS) the employer will decide to whom any children's annual compensatory added years payments are to be paid and, in such a case, how the annual added years will be apportioned amongst the eligible children.</p>	<p>If compensatory added years were awarded to an employee who was not in the LGPS (because the employee had not joined or had opted out of the LGPS) Priorslee Multi Academy Trust will decide to whom and in what proportions any children's annual compensatory added years payments are to be paid as Priorslee Multi Academy Trust, at its sole discretion, sees fit (based on the merits of the individual cases).</p>
<p>5. How a person's annual compensatory added years pension is to be abated during, and following the cessation of, any period of re-employment by an employer who offers membership of the LGPS to its employees, regardless of whether or not the employee chooses to join the LGPS (except where the employer is an Admitted Body, in which case abatement only applies if the person is in, or eligible to be in, the LGPS in the new employment).</p>	<p>Where compensatory added years were awarded before 21 June 2000, Priorslee Academy Trust will reduce a person's annual compensatory added years' payment following the cessation of a period of re-employment in local government (see note below) in accordance with the Local Government (Discretionary Payments) Regulations 1996.</p> <p>Note: <i>'local government' means employment with an employer who offers membership of the LGPS to its employees, regardless of whether or not the employee chooses to join the LGPS (except where the employer is an Admitted Body). Technically, an employee of an Admitted Body (i.e. a body that has applied to the administering authority to allow its employees to join the LGPS and has entered into a formal admission agreement) is only employed in 'local government' if he / she is a member of the LGPS.</i></p>

Table G: Discretions to be exercised under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011	Priorslee Multi Academy Trust policy
<p>1. Whether to award an injury allowance in respect of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and in consequence of which he / she:</p> <ul style="list-style-type: none"> - suffers a reduction remuneration, or - ceases to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease, or - dies leaving a surviving spouse, civil partner or dependant. 	<p>Priorslee Multi Academy Trust will not, other than in exceptional circumstances, make an award of an injury allowance in respect of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and in consequence of which he / she:</p> <ul style="list-style-type: none"> - suffers a reduction remuneration, or - ceases to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease, or - dies leaving a surviving spouse, civil partner or dependant.
<p>2. How to calculate an injury allowance award in respect of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and in consequence of which he / she suffers a reduction remuneration.</p>	<p>In the event of an award, Priorslee Multi Academy Trust will follow the notes below to calculate an injury allowance. Each case will be considered on its specific circumstances and will be subject to the approval of the Finance Committee</p>
<p><i>Notes:</i></p> <ul style="list-style-type: none"> - <i>The employee's remuneration is treated as reduced at any time when it is lower than it would have been but for the injury or disease.</i> - <i>The amount of the allowance is to be of such amount as the employer may from time to time determine but must not in any year exceed the shortfall between the person's remuneration in the employment and the remuneration he / she would have been paid if he / she had not sustained the injury or contracted the disease.</i> - <i>The allowance must cease when the reduction in remuneration ceases to apply.</i> 	

- *In determining the amount of the allowance, the employer is to have regard to all the circumstances of the case including, but not limited to:*

- *the degree of injury sustained or the severity of the disease contracted as assessed by an Independent Registered Medical Practitioner, and*

the level of any of the following which the person may receive

- *social security benefits*
- *any benefit or compensation under a statutory right*
- *pension benefits*
- *damages recovered and any sum received by virtue of a contract of insurance*

The employer might also wish to take account of the degree of contributory negligence on the part of the employee, if any.

- *Where the employee had sustained an injury, the employer must not take into account:*

- *any benefit payable periodically which the person was entitled to be paid before the injury was sustained*
- *any right which accrued before the injury was sustained*
- *any damages or sum received by virtue of such a right.*

- *Before making a decision over entitlement to, or the amount of, any award the employer must obtain a certificate from an Independent Registered Medical Practitioner qualified in occupational health medicine²⁰ as to whether, in his / her opinion, the person sustained the injury or contracted the disease in the course of carrying out his / her work.*

²⁰ Qualified in occupational health medicine means an IRMP who is registered with the General Medical Council and who holds a diploma in occupational health medicine (D Occ Med) or an equivalent qualification issued by a competent authority in an EEA state; and for the purposes of this definition, "competent authority" has the meaning given by section 55(1) of the Medical Act 1983; or is an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or an equivalent institution of an EEA State.

<p>3. How to calculate an injury allowance award in respect of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and who ceases to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease.</p>	<p>In the event of an award, Priorslee Multi Academy Trust will follow the notes below to calculate an injury allowance. Each case will be considered on its specific circumstances and will be subject to the approval of the Finance Committee</p>
<p><i>Notes:</i></p> <ul style="list-style-type: none"> - <i>The amount of the allowance is to be of such amount as the employer may from time to time determine but must not exceed 85% of the person's annual rate of remuneration at the date of cessation of employment.</i> - <i>The employer can suspend or discontinue the allowance if the person secures gainful employment i.e. paid employment for not less than 30 hours in each week for a period of not less than 12 months.</i> - <i>In determining the amount of the allowance, the employer is to have regard to all the circumstances of the case including, but not limited to:</i> <ul style="list-style-type: none"> • <i>the degree of injury sustained or the severity of the disease contracted as assessed by an Independent Registered Medical Practitioner, and</i> <p><i>the level of any of the following which the person may receive</i></p> <ul style="list-style-type: none"> • <i>social security benefits</i> • <i>any benefit or compensation under a statutory right</i> • <i>pension benefits</i> • <i>damages recovered and any sum received by virtue of a contract of insurance</i> <p><i>The employer might also wish to take account of the degree of contributory negligence on the part of the employee, if any.</i></p> <ul style="list-style-type: none"> - <i>Where the employee had sustained an injury, the employer must not take into account:</i> <ul style="list-style-type: none"> • <i>any benefit payable periodically which the person was entitled to be paid before the injury was sustained</i> • <i>any right which accrued before the injury was sustained</i> • <i>any damages or sum received by virtue of such a right.</i> 	

<p>- <i>Before making a decision over entitlement to, or the amount of, any award the employer must obtain a certificate from an Independent Registered Medical Practitioner qualified in occupational health medicine²¹ as to whether, in his / her opinion, the person sustained the injury or contracted the disease in the course of carrying out his / her work and had ceased to be employed as a result of an incapacity which is likely to be permanent and was caused by the injury or disease.</i></p>	
<p>4. How to calculate an injury allowance or lump sum award for a surviving spouse, civil partner, nominated cohabiting partner or dependant of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and as a result of which he / she dies.</p>	<p>In the event of an award, Priorslee Multi Academy Trust will follow the notes below to calculate an injury allowance. Each case will be considered on its specific circumstances and will be subject to the approval of the Finance Committee</p>
<p><i>Notes:</i></p> <ul style="list-style-type: none"> - <i>The amount of the allowance or lump sum is to be of such amount as the employer may from time to time determine.</i> - <i>In determining the amount of the allowance or lump sum, the employer is to have regard to all the circumstances of the case including, but not limited to, the level of any of the following which the person may receive:</i> <ul style="list-style-type: none"> • <i>social security benefits</i> • <i>any benefit or compensation under a statutory right</i> • <i>pension benefits</i> • <i>damages recovered and any sum received by virtue of a contract of insurance</i> <p><i>The employer might also wish to take account of the degree of contributory negligence on the part of the deceased employee, if any.</i></p>	

²¹ Qualified in occupational health medicine means an IRMP who is registered with the General Medical Council and who holds a diploma in occupational health medicine (D Occ Med) or an equivalent qualification issued by a competent authority in an EEA state; and for the purposes of this definition, "competent authority" has the meaning given by section 55(1) of the Medical Act 1983; or is an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or an equivalent institution of an EEA State.



PRIORSLEE MULTI ACADEMY TRUST

LOCAL GOVERNMENT PENSION SCHEME DISCRETIONARY POLICY

FREQUENCY OF REVIEW :	Yearly
RATIFICATION:	Priorslee Multi Academy Trust Directors
REVIEWED BY:	Finance Committee April 2017
APPROVED BY:	
DATE OF NEXT REVIEW:	April 2018
AUTHOR:	Finance Committee