



Deanery C.E. Primary School
Academy Status

Local Government Pension Discretions Policy

June 2014

REGULATION	POLICY ON INDIVIDUAL DISCRETIONS
<p>BMC12: Augmentation of membership of an active member (up to 10 years) <i>(Required in Policy Statement)</i></p>	<p>The School will not normally exercise this discretion and will not normally augment pensions for staff leaving under redundancy, early retirement in the interests of efficiency or voluntary early retirement. The augmentation will only be granted in very exceptional circumstances and will be at the discretion of the Governing Body in consultation with the Head Teacher. Any costs associated with the granting of the discretion will be met from the relevant departmental budget.</p>
<p>BMC13: Whether to grant additional pension to a member (up to £5,000 pa) <i>(Required in Policy Statement)</i></p>	<p>The School will not exercise this discretion in addition or as an alternative to augmentation for staff leaving under redundancy, early retirement in the interests of efficiency or voluntary early retirement.</p>
<p>BMC18(1): Whether all or some benefits can be paid if an employee reduces hours/grade and continues to work (“flexible retirement”) <i>(Required in Policy Statement)</i></p>	<p>Where an employee seeks the School’s consent to take flexible retirement, the School will assess the request on its merits, taking into account any capital costs of flexible retirement, and the individual circumstances. Where such a request is approved, the employee will be eligible to receive immediate payment of the pension and lump sum (if applicable), though these will be reduced. The amount of reduction to the pension and lump sum is determined by an actuarial calculation based on a formula determined by the Government Actuary’s Department. Flexible retirement must be approved by the Head Teacher and the final agreement will rest with the Governing Body following receipt of a written business case. Any costs associated with granting flexible retirement will be met from the relevant departmental budget.</p>
<p>BMC(3): Waiving actuarial reduction on flexible retirement. <i>(Required in Policy Statement)</i></p>	<p>The School will not normally exercise this discretion. Where such a request is approved the employee will be eligible to receive immediate payment of the pension and lump sum (if applicable), though these will be normally actuarially reduced. The amount of reduction to</p>

	<p>the pension and lump sum is determined by an actuarial calculation based on a formula determined by the Government Actuary's Department. The decision to waive the actuarial reduction will only be applied in exceptional circumstances, at the discretion of the Governing Body and the Head Teacher. Any costs associated with the granting of this discretion will be met from the relevant departmental budget.</p>
<p>BMC30 (2): Whether to allow early payment of benefits at/ after age 50 (55 from 2010). <i>(Required in Policy Statement)</i></p>	<p>Where an employee seeks the School's consent to take early retirement, the School will assess the request on its merits, taking into account any capital costs of early retirement, and the individual circumstances. Where such a request is approved, the employee will be eligible to receive immediate payment of the pension and lump sum (if applicable), though these will be reduced. The amount of reduction to the pension and lump sum is determined by an actuarial calculation based on a formula determined by the Government Actuary's Department. Early retirement must be approved by the Governing Body and the Head Teacher following receipt of a written business case. Any costs associated with granting early retirement will be met from the relevant departmental budget.</p>
<p>BMC30 (3): Waiving actuarial reduction on early retirement. <i>(Required in Policy Statement)</i></p>	<p>In exceptional circumstances, the reduction to the pension and lump sum may be waived. This will usually be on compassionate grounds. The School will apply the definition "inclined to pity or mercy" to determine whether reduction in pension benefits is to be waived. The decision to waive the actuarial reduction will only be applied in exceptional circumstances, at the discretion of the Governing Body and Head Teacher. Any costs associated with the granting of this discretion will be met from the relevant departmental budget.</p>
<p>Admin 16(4)(b)(ii): Whether to extend 12-month period to combine previous LG service.</p>	<p>The School will exercise its discretion when a member of staff makes a request, if the member of staff meets the following criteria:</p> <ul style="list-style-type: none"> • Prior to joining the School they had been continually employed by a public sector employer and a member of their pension scheme that is broadly similar to the Local

	<p>Government Pension Scheme, offering similar benefits that are index-linked against inflation.</p> <ul style="list-style-type: none"> • The member of staff only has one deferred pension pot with a previous public sector employer. • The member of staff has not left a previous public sector employer due to redundancy, ill-health retirement or dismissal. • The member of staff has more than 10 years to work before reaching the age of 65. • The member of staff is able to provide adequate reason for making such a request outside of the 12-month transfer period. <p>Each request will be considered on an individual basis and the Governing Body reserves the right to decline requests even if they meet the above criteria.</p>
<p>BMC3 Determine rate of employees' contributions.</p>	<p>The School will apply the following principles to allocate a member of staff to the correct contribution band:</p> <ul style="list-style-type: none"> • All active members of the Local Government Pension Scheme will be allocated to a contribution band based on their actual pay. • The contribution band ranges will increase on 1 April each year by the rise in the Retail Price Index. • All active members of the Local Government Pension Scheme will be allocated to the relevant contribution band on 1 April each year or at the commencement of their employment with the School. • The School will re-assess and adjust an individual employee's contribution band part-way during the financial year in the following instances: <ul style="list-style-type: none"> (i) When there has been a contractual change during the year (e.g. promotion) requiring the salary to be adjusted. This will avoid underpayment of contributions by the School and will prevent any potential claims of inequality from a new employee being

	<p>appointed on the same pay but within a higher employee contribution band.</p> <p>(ii) Where a national pay award is applied mid-year, or backdated to 1 April.</p> <p>(iii) Where an employee has been placed in the wrong contribution in error, which may result in a shortfall in contribution rates at subsequent evaluations.</p>
<p>Admin 22(2): Whether to extend the period for a member to elect to pay contributions to cover unpaid leave of absence, maternity, paternity, or adoption leave beyond 30 days after returning to work or leaving.</p>	<p>The School will allow the extension of the period in cases where the member of staff was not notified of the right to pay conditions.</p>
<p>Admin 83(8): Whether to extend 12-month period to allow a transfer-in of non-LG pension rights.</p>	<p>The School will not exercise this discretion. The School will only use its discretion in relation to requests to transfer-in previous Local Government, or broadly similar public sector pensions – see 16(4)(b)(ii) above.</p>

Abbreviations

School	Deanery CE Primary School
LGPS	Local Government Pension Scheme
BMC	Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007
Admin	Local Government Pension Scheme (Administration) Regulations 2008

Policy written by Shirley Williams (School Business Manager)
 Agreed and accepted by Governing Body

June 2014
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Signed  _____

Dated 9/7/14 _____