

Discretionary Policy

Policy Code:	F4
Policy Start Date:	January 2018
Policy Review Date:	January 2021

1 Policy Statement

- 1.1 This statement is applicable to all employees of the Trust who are eligible to be members of the LGPS.
- 1.2 This policy summaries the discretions the Trust exercises as an employer.
- 1.3 Under Regulation 60 of the LGPS Regulations 2013 (as amended), each scheme employer must publish and keep under review a Statement of Policy to explain how it will apply certain discretions allowed under the Pensions Regulations.

The regulations referred to in this document are listed below:

- the Local Government Pension Scheme Regulations 2013 [prefix **R**]
- the Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 [prefix **TP**]
- the Local Government Pension Scheme (Administration) Regulations 2008 [prefix **A**]
- the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix **T**]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [prefix **B**]
- the Local Government Pension Scheme Regulations 1997 (as amended) [prefix **L**]
- the Local Government Pension Scheme Regulations 1995 (as amended) [prefix **D**]
- the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended) [prefix **E**]

There is a requirement to publish the following policies.

- 1.4 This policy does not form part of any employee's contract of employment and it may be amended at any time.

2 Roles, Responsibilities and Implementation

- 2.1 The Finance Committee has overall responsibility for the effective operation of this policy and for ensuring compliance with the relevant statutory framework. This committee delegates day-to-day responsibility for operating the policy and ensuring its maintenance and review to the Chief Financial Officer.
- 2.2 Leaders and managers have a specific responsibility to ensure the fair application of this policy and all employees are responsible for supporting colleagues and ensuring its success.

3 Aims

- 3.1 This procedure aims to establish the Trust's policy for applying each discretion.

4 Policy changes

This policy can only be amended or withdrawn by The Priory Federation of Academies Trust.

Regulation	Discretion	Policy
R31	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.	The Trust will not consider granting additional pension under this discretion.
R16(2)(e), R16(4)(d)	Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.	The Trust will not consider contributing to a shared cost APC scheme.
R30(6) & TP11(2)	Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).	The Trust will consider requests for flexible retirement on a case by case basis. Consent to the payment of benefits on flexible retirement may be given if a member reduces their hours by at least 20% or one grade, provided that to do so will not be to the detriment of the Federation and its efficient organisation.
TPSch 2, paras (1) (2) and 2(2)	Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60	The Trust will not apply this discretion unless there is a strong financial case to support such a situation.
R30(8)	Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.	The Trust will not consider waiving actuarial reductions on a flexible retirement other than in exceptional circumstances.
R30(8)	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age	The Trust will not consider waiving actuarial reductions on a retirement before normal pension age other than in exceptional circumstances.
B30(2)	Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60 for members who left before 01.04.14	The Trust will not consider consent to applications for early payment of deferred benefits on or after age 55 and before age 60, other than in exceptional circumstances.
B30A(3)	Whether to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60 for members who left before 01.04.14	The Trust will not consider applications for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60, other than in exceptional circumstances.
B30(5)	Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30	The Trust will not consider waiving actuarial reductions other than in exceptional circumstances.
B30A(5)	Whether to waive, on compassionate grounds the actuarial reduction applied to benefits paid early under B30A	The Trust will not consider waiving actuarial reductions other than in exceptional circumstances.

There are several other discretions where there is no requirement to have a written policy but it is advised that one is held so that members can be clear on these matters.

Regulation	Discretion	Policy
R17(1) & definition of SCAVC in RSch 1	Whether, how much, and in what circumstances to contribute to a shared cost AVC arrangements entered into on or after 01.04.14	The Trust will not consider contributing to a shared cost AVC scheme.
TP15(1)(d) & A25(3)	Whether, how much, and in what circumstances to continue to shared cost AVC arrangements entered into before 01.04.14	The Trust will not consider contributing to a shared cost AVC scheme.
R100(6)	Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	The Trust will not normally allow an extension of the 12 month limit. Extenuating circumstances may apply, such as where evidence exists that an election was made within 12 months but this was not received by the administering authority.
R22(8)(b)	Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment	The Trust will not normally allow an extension of the 12 month limit. Extenuating circumstances may apply, such as where evidence exists that an election was made within 12 months but this was not received by the administering authority.
R22(7)(b)	Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with an on-going concurrent employment	The Trust will not normally allow an extension of the 12 month limit. Extenuating circumstances may apply, such as where evidence exists that an election was made within 12 months but this was not received by the administering authority.
R9(1) & R9(3)	Determine rate of employees' contributions	Employee contribution bandings are allocated on an annual basis on the 1 April based on actual pensionable pay over the previous 12 months. In the case of new starters, where no pay data is available for the preceding 12 months, starting pay will be used to determine a nominal full year salary and contribution rates based on this amount.
R21(5)	In determining Assumed Pensionable Pay, whether a lump sum payment made in the previous 12 months is a "regular lump sum"	To determine in individual cases where necessary to establish in a fair, equitable and justifiable way what the members likely pay would have been but for the absence, and in cases where this pay is to be used for future enhancements whether that level of pay would have been received every year to normal retirement age.
R36	Determine whether a member is entitled to an ill health retirement pension, and what tier of benefit to be awarded.	Dealt in accordance with the Federation's guidance note on employer approval of permanent ill-health benefits under the LGPS taking into account medical advice from the Federation occupational health provider.
R37(3)	Whether to recover any overpaid Tier 3 pension following commencement of gainful employment	The Trust will seek to recover any overpayment where a Tier 3 pension has been paid after gainful employment has commenced,
R38(3)	Decide whether deferred beneficiary meets criteria of being permanently incapable of former job because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years, whichever is sooner	Dealt with on a case by case basis, taking into account medical advice from the occupational health provider.
R38(6)	Decide whether a suspended ill health tier 3 member is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health	Dealt with on a case by case basis, taking into account medical advice from the occupational health provider.

Regulation	Discretion	Policy
R19(2)	No right to return of contributions if left due to offence of a fraudulent character or grave misconduct unless employer directs a total or partial refund is to be made.	Expectation is that a refund of contribution would not be made to employees who are dismissed from their employment as a result of fraudulent misconduct however the decision to allow a partial or full refund will be considered in exceptional circumstances.
R91(1) & (8)	Whether to apply to Secretary of State for a forfeiture certificate (where member is convicted of a relevant offence)	Dealt with on a case by case basis taking into account the individual circumstances.
R91(4)	Where forfeiture certificate is issued, whether to direct that benefits are to be forfeited (other than rights to GMP – but see R95 below) (<i>GMP = Guaranteed Minimum Pension</i>)	Dealt with on a case by case basis taking into account the individual circumstances.
R92(1) & (2)	Where forfeiture certificate is issued, whether to direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits	Dealt with on a case by case basis taking into account the individual circumstances.
R93(2)	Whether to recover from Fund any monetary obligation or, if less, the value of the member's benefits (other than benefits from transferred in pension rights or APCs or AVCs or subject to R95 in respect of any GMP) where the obligation was incurred as a result of a grave misconduct or a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left employment.	Dealt with on a case by case basis taking into account the individual circumstances.
R95	Whether if the member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts, forfeiture under R91 or recovery of a monetary obligation under R93 should deprive the member or the member's surviving spouse or civil partner of any GMP entitlement.	Dealt with on a case by case basis taking into account the individual circumstances.
D11(2)(c)	Grant application from a pre 01.04.98 leaver for early payment of deferred benefits on or after age 50 on compassionate grounds	The Trust will consider consent to applications for early payment of deferred benefits to those aged 55+ on a case by case basis. Approval will be given only where there are exceptional circumstances e.g. on compassionate grounds as defined. Applications for those aged 50-54 will not be considered due to the HMRC ruling that such payments are unauthorised.
L31(2)	Grant application from a post 31.03.98 / pre 01.04.08 leaver for early payment of benefits on or after age 50/55 and before age 60	Dealt with on a case by case basis taking into account any financial implications.
L31(5)	Waive on compassionate grounds, the actuarial reduction applied to benefits paid early for a post 31.03.98 / pre 01.04.08 leaver	The Trust will not consider waiving actuarial reductions other than in exceptional circumstances.
L31(7A)	Pre 01.04.08 employee optants out only to get benefits paid from NRD (Normal Retirement Date) if employer agrees.	Dealt with on a case by case basis taking into account any financial implications.
E5	To base redundancy payments on an actual week's pay where this exceeds the statutory week's pay limit.	The Trust will base redundancy payments on the ready reckoner, in line with the employees contracted terms and conditions.
E6	To award lump sum compensation of up to 104 weeks' pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.	The Trust will not award lump sum compensation in cases of redundancy (except where so obliged by virtue of TUPE), termination of employment on efficiency grounds, or cessation of a joint appointment unless there are exceptional/ compelling business reasons to do so.



The Priory Federation of Academies Trust

Discretionary Policy

This Policy has been approved by the Finance Committee:

Signed..... Name..... Date:

Trustee

Signed..... Name..... Date:

Chief Executive Officer

Signed..... Name..... Date:

Designated Member of Staff

Please note that a signed copy of this agreement is available via Human Resources.