



<b>POLICY</b>	<b>LGPS Pension Discretion Policy</b>
<b>STATUS/DATE OF THIS VERSION</b>	<b>July 2023</b>
<b>APPROVED BY</b>	<b>Board of Trustees</b>
<b>RATIFIED BY</b>	<b>16 July 2023</b>
<b>REVIEW</b>	<b>July 2025</b>

This policy is operated by all the schools in Unity Education Trust (as listed below).

**There may be sections that are specific to one school and these will be added by the school either as an annex or in place of yellow highlighted sections below.**

**Any queries about the policy should be directed, in the first instance, to the Headteacher/Head of School:**

- Beeston Primary
- Garvestone Primary
- Grove House Infant
- Kings Park Infant
- Northgate High School and Dereham Sixth Form College
- The Pinetree School
- The Short Stay School for Norfolk
- Churchill Park
- Greyfriars Primary
- Highgate Infant School
- Kings Oak Infant School
- Wimbotsham and Stow Primary
- Magdalen Primary
- St Germans Primary
- Great Dunham Primary

### Employer's Policy Statement - Exercise of Discretionary Powers

The Local Government Pension Scheme regulations provide a number of discretions which employers may exercise, which determine how the scheme will be applied to their employees in certain circumstances. The table below sets out how Unity Education Trust (UET) exercises those discretions. This applies in schools where UET is the employer.

References to regulations are to the Local Government Pension Scheme regulations 2013 unless otherwise indicated.

UET's Constitution provides that discretions under the LGPS are exercised by the Trust Board. The exercise of discretions under the LGPS must be placed before a full meeting of the Board of Trustees and be subject to an agreed resolution. All decisions will be made within relevant legislation including the Restriction of Public Sector Exit Payments Regulations 2020.

#### **Additional pension contributions: Regulation 16(2e) and 16(4d)**

The employer can fund in whole or in part Additional Pension Contributions. The payment can be made by regular contributions or by a lump sum and the cost of this would fall to the employer.

UET will not normally fund additional pension contributions under this Regulation but may do so in wholly exceptional circumstances where other factors outweigh the cost.

#### **Awarding additional pension: Regulation 31**

The employer can award additional pension, up to a maximum annual value of £6500 in some circumstances and this amount is subject to an annual increase each April. This cost would fall to the employer.

UET will not normally award additional pension under this Regulation but may do so in wholly exceptional circumstances where other factors outweigh the cost.

#### **Flexible retirement: Regulation 30(6)**

With the consent of their employer an employee in the Scheme aged 55 or over may reduce their hours or grade and elect to receive immediate pension benefits, actuarially reduced where applicable, even where they haven't left their employment. Any cost would fall on the employer.

UET will not normally award additional pension under this Regulation but may do so in wholly exceptional circumstances.

**Any cost for early payment would fall to the employer**

#### **Waiving of actuarial reduction: Regulation 30(8)**

The employer may agree to waive in whole or in part any reduction that would otherwise apply where an employee retires between aged 55 and under normal pension age (Regulation 30(5)) or takes flexible retirement (Regulation 30(6)).

In the case of early retirements, UET will not waive, in whole or part, the actuarial reduction on benefits paid on early retirement except on compassionate grounds where there are exceptional personal circumstances.

#### **Early payment of pension: Regulation 30 of LGPS (Benefits, Membership and Contributions) Regulation 2007 (two decisions to be made)**

1. Where a member is aged 55 to 60 and has a deferred LGPS pension relating to an earlier period of employment which ended before 1 April 2014, they can request to receive their benefits immediately, with the agreement of their former employer.

Where there is no financial cost to UET, a request for early release of benefits is unlikely to be refused. Where costs are incurred the Accounting Officer will consider the request taking into account the circumstances.

2. Their pension would be reduced actuarially unless the employer agrees to waive the reduction (at its own cost).

UET may determine on compassionate grounds that retirement benefits should not be reduced.

#### **Transitional Regulations 2014: SCHEDULE 2 Regulation 1 (1)(c)**

Where a member aged 55 to 60 requests their benefits and has accrued protection against actuarial reduction by virtue of the '85 year rule' under earlier regulations, that protection does not apply unless their employer agrees. Where the employer does agree, the cost of the protection by operation of the 85 year rule would fall to the employer.

UET will not agree to the application of the '85 year rule' in these circumstances except on compassionate grounds where there are exceptional personal circumstances.

## Non-Compulsory Items:

### Shared cost AVCs: Regulation 17(1)

An employer may share the cost of an Additional Voluntary Contributions scheme; the cost would fall on the employer.

UET will not normally fund additional pension contributions under this Regulation.  
sacrifice shared cost AVC scheme and may be withdrawn or changed at any time

### Forfeiture of pension rights: Regulations 91, 92

#### Recovery or retention of monetary obligations: Regulation 93

In certain circumstances such as employment-related convictions, or as a result of their own criminal, negligent or fraudulent act in connection with their employment, pension rights in full or part may be forfeited and/or other measures taken by the employer by paying over pension rights to specified dependants of the member in respect of the employee's pension account.

UET may exercise the discretions provided under these regulations depending on the circumstances of the case. This power is delegated to the PPP Committee.

### Appointment of adjudicator for member disagreements: Regulation 74(1)

Each Scheme employer is required to appoint an adjudicator who will consider applications from any person whose rights or liabilities under the Scheme are disputed and to make a decision regarding such applications.

The Trust Board will act on behalf of UET.

### Transfers of non-LGPS pension rights: Regulation 100(6)

A member who has previous pension rights in a non-LGPS scheme may transfer them into the LGPS provided they opt to do so within 12 months of joining the LGPS in that employment. The employer has discretion to extend the twelve month limit.

UET will extend the 12 month period only in exceptional circumstances or where the delay was beyond the member's control.

#### Members' contribution rates: Regulation 9(3)

The employer has to decide how frequently it will reassess the pay and contribution levels for staff. New starters will be allocated to the appropriate contribution banding on commencement of employment with UET, provided they are eligible for the scheme.

UET will reassess the appropriate contribution bandings for employees:

- when a member receives an increase or decrease in their salary and this involves them moving into a new salary grade,
- where a member's contractual working hours change by five hours or more per week, and
- on an annual basis, with effect from 1 April each year.

Midyear changes in salary due to pay awards or incremental progression within a grade will not trigger reassessment.

