



Employer Discretions for the Local Government Pension Scheme

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Policy statements regarding the exercise of employer discretions for members of the Local Government Pension Scheme

Introduction

Anthem Schools Trust (“Anthem”) has prepared this written statement of policy in relation to its exercise of certain discretions available under the following regulations

1. Local Government Pension Scheme Regulations 2013 (LGPS Regulations 2013)
2. Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (LGPS Transitional Regulations 2014)
3. Local Government Pension Scheme (Amendment) Regulations 2018 (LGPS Amendment Regulations 2018)

In order to comply with the above Regulations, this document sets out our policy in relation to:

1. Shared Cost Additional Pension Contributions – Regulation 16(2)(e) and 16(4)(d);
2. Flexible Retirement – Regulation 30 (6);
3. Waiving actuarial reductions – Regulation 30(8);
4. Awarding Additional Pension – Regulation 31; and
5. Switching on the 85-year rule – Schedule 2 – 1(1)(c) of the LGPS Transitional Regulations 2014.
6. Early payment of Deferred Pensions – LGPS Regulations 1997;
7. Early payment of Deferred Pensions (tier 3 ill health) – LGPS Regulations 2007;

This document also sets out our policy in relation to:

8. Contribution amendment arrangements;
9. Shared Cost Additional Voluntary Contributions;
10. Merging of deferred and active member pension accounts
11. Transfers of previously accrued pension benefits;
12. Assumed Pensionable Pay;
13. Extend 30-day time limit to purchase additional pension;
14. Aggregating pre-01 April 2014 and post 14 May 2018 benefits;
15. Substitute a higher level of pensionable pay when calculating APP; and
16. Applications for Adjudication of Disagreements.



Employer Discretions for the Local Government Pension Scheme

General Principles

We will not normally apply any discretions unless there are exceptional circumstances. Where exceptional circumstances do exist, our decisions will:

- a) at all times consider the extent to which the exercise of our employer discretions could lead to a serious loss of confidence in our public service;
- b) be taken only with full understanding of associated costs and how such costs will result in a real and substantial future benefit to us;
- c) not be used for any ulterior motive;
- d) be exercised reasonably;
- e) be taken by the Trustees of Anthem Schools Trust.

Part A: Mandatory Discretions

1. **Shared Cost Additional Pension Contributions (SCAPC) - Regulation 16(2)(e) and 16(4)(d)**

Active members paying into the main scheme may enter into arrangements to pay additional contributions, whether by regular contributions or by a lump sum payment. This may be funded in whole or in part by the employer.

Our policy concerning the partial or full funding of an active member's additional pension contributions:

We will not normally consider the partial or full funding of an employee's Additional Pension Contributions unless there are exceptional circumstances where there is a financial and/or practical reason or benefit to us.

2. **Flexible Retirement – Regulation 30(6)**

Employers may consent for a member who has attained the age of 55 to draw all or part of their retirement benefits (both pension and lump sum) whilst continuing in employment and scheme membership provided that there has been a reduction in hours or a reduction in grade. Employers can choose to waive any reductions that apply under Regulation 30(8) – see paragraph 3.

Our policy concerning flexible retirement

All applications will be considered on their merits subject to any financial implications for us. Where there is no cost to us and no detrimental impact on the service, such applications will usually be accepted by the Trustees.

3. **Waiving of Actuarial Reduction – Regulation 30(8)**

Employers may waive, in whole or in part, the actuarial reductions applied to a member's benefits voluntarily drawn before Normal Pension Age (NPA).

Unless 85 year rule protections exist, employers may waive:

All of the reductions in respect of pre 1 April 2014 benefits, but only on compassionate grounds;

All or some of the actuarial reduction in respect of post 1 April 2014 on any grounds.

Where 85 year rule protections exist, and the member has full or tapered protection, the employer may waive all of the reductions but only on compassionate grounds for the service

Employer Discretions for the Local Government Pension Scheme

up to the date the 85 year rule protection ends (31 March 2016 full or 31 March 2020 tapered).

Our policy concerning the waiving of actuarial reduction

We will not normally waive actuarial reductions. The decision to waive any actuarial reduction will only be considered where there will be a financial or other benefit to us. When considering compassionate grounds, we will consider the special extenuating circumstances surrounding the application along with supporting evidence.

4. Award of Additional Pension - Regulation 31

Employers may grant additional pension up to the maximum allowed by the scheme rules provided that the member is:

- a) An active member; or*
- b) Within 6 months of leaving by reason of redundancy; or*
- c) Within 6 months of leaving by reason of business efficiency; or*
- d) Within 6 months of leaving by mutual consent on the grounds of business efficiency.*

Our policy concerning the award of additional pension

We will not normally award additional pension. We will only consider using this discretion where a sufficient benefit to us can be demonstrated and the associated costs can be justified.

5. Switching on the 85 year rule - Schedule 2 – 1(1)(c) of the LGPS Transitional Regulations 2014

The employer can decide to ‘switch on’ the 85 year rule to allow members to receive benefits, either unreduced or with a smaller reduction to their 85 year rule date. The employer will be responsible for meeting any strain costs relating to benefits being paid before age 60. If the employer does not ‘switch on’ the 85 year rule, the member’s benefits will be reduced to age 60 or the date they meet the 85 year rule if later.

Our policy concerning the ‘switching on’ of the 85 year rule

Any decision to reinstate the 85 year rule protections will only be taken where there will be a financial or other benefit to us.

6. Applying only to members who left before 1 April 2014

Early payment of Deferred Pensions for members who left before 1 April 2014 – Regulation 2 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, Regulation 30(2) and 30(5) of the LGPS Benefits Regulations 2007 & Regulation 31(2) and Regulation 31(5) of the LGPS Regulations 1997

Members who left between 1 April 2008 and 31 March 2014 and who are over the age of 55 may take their benefits early. Under Regulation 30(5) employers can waive any reduction to benefits paid under that Regulation on compassionate grounds. Additionally, under Regulation 2(1(2)) employers may elect to ‘switch’ on the 85 year rule where a member has taken voluntary early payment of deferred benefits from age 55.

Our policy concerning early payment of deferred benefits for leavers between 1 April 2008 and 31 March 2014.

All applications will be considered on their merits having regard to the members personal circumstances and our ability to meet the cost of granting such request. When considering

Employer Discretions for the Local Government Pension Scheme

compassionate grounds, we will consider the special extenuating circumstances surrounding the application along with supporting evidence.

7. Applying only to members who left before 1 April 2014
Early payment of deferred benefits for members who left before 1 April 2014 – and have ceased to be entitled to a tier 3 ill health benefit - Regulation 2 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, Regulation 30A(3) and 30A(5) of the LGPS Benefits Regulations 2007.
Members who left between 1 April 2008 and 31 March 2014, have ceased to be entitled to a tier 3 ill health benefit and who are over the age of 55 may take their benefits early. Under sub paragraph 5 of Regulation 30A, employers can waive any reduction to benefits paid under that regulation on compassionate grounds. Alternatively, under Regulation 2(1(2)), employers may elect to ‘switch on’ the 85 year rule where voluntary early payment of suspended tier 3 ill health pension is taken.

Our policy concerning early payment of deferred benefits for leavers between 1 April 2008 and 31 March 2014 who have ceased to be entitled to a tier 3 ill health benefit
All applications will be considered on their merits having regard to the members personal circumstances and our ability to meet the cost of granting such request. When considering compassionate grounds, we will consider the special extenuating circumstances surrounding the application along with supporting evidence.

Part B: Recommended Discretions

8. **Contributions - Regulation 9(1) & 9(3)**
Determines the rate of employer contributions and when contribution rates will be assessed.
Our policy concerning the re-determination of active members’ contribution bandings at any date other than 1st April
We will make appropriate changes to employee contribution rates throughout the year, from the first of the month following the effective date of any change of employment or material change to the rate of pensionable pay received. Where employees have more than one post, each post will be considered individually.
9. **Additional Voluntary Contributions - Regulation 17(1)**
Active members may enter into arrangements to pay additional voluntary contributions (AVCs) via an approved scheme. Employers may pay for or contribute to such schemes.
Our policy concerning payment of Shared Cost Additional Voluntary Contributions (SCAVC)
We will not normally apply this discretion. Exceptions may be made only where there is a sufficient benefit to us to justify application of this discretion.
10. **Merging of Deferred Member Pension Accounts with Active Member Pension Accounts – Regulation 22**
Employers can extend the 12 month time limit for a member to elect not to aggregate post 31 March 2014 deferred benefits (or combinations of pre-April 2014 and post March 2014 deferred benefits).

Employer Discretions for the Local Government Pension Scheme

Our policy concerning merging of Deferred Member Pension Accounts with Active Member Pension Accounts

Normal practice will be to require all employees to have made their decision not to aggregate their deferred member's pension account within the first twelve months of their re-employment. Employees may only defer this decision beyond 12 months where they can demonstrate there is no financial risk to us AND it is of benefit to the employee. Such decisions should normally be finalised by the end of the 15th month of becoming an active member again.

11. Inward Transfers of Pension Rights - Regulation 100(6)

Employers may extend the normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.

Our policy concerning the extension of the 12 month transfer application period

We will only permit transfers-in beyond the 12-month deadline where there is no financial risk to us AND subject to the local LGPS administering authority's agreement. Such decisions should normally be finalised by the end of the 15th month of entering our employment.

12. Assumed Pensionable Pay (APP) - Regulation 21(5)

Employers may decide to include regular lump sum payments in the calculation of APP

Our policy concerning inclusion of 'regular lump sum payments' in APP calculations

All regular lump sum payments, where there is a reasonable expectation that such a payment would be received on a regular basis, will be included in the calculation of APP.

13. Extend 30 day time limit to purchase additional pension – Regulation 16(16)

Members may elect for a SCAPC upon return from a permitted unpaid period of absence from work (other than absence due to illness, injury, child-related leave or reserve forces leave). Employers may extend the 30 day deadline for the election.

Our policy concerning extended time limit for SCAPC election

We will not extend the normal time limit.

14. Extend 12 month time limit for members to aggregate pre 1 April 2014 deferred benefits – Regulation 27

Employers may extend the 12 month time limit for members commencing employment on or after 14 May 2018 to aggregate pre 1 April 2014 deferred benefits with their new benefits.

Our policy concerning extending the time limit for aggregating pre 1 April 2014 and post 14 May 2018 benefits.

We will only extend the time-limit where there are exceptional circumstances and no financial risk to us.

15. Substitute a higher level of pensionable pay when calculating Assumed Pensionable Pay (APP) – Regulation 21(5A) and 21(5B)

If pensionable pay in the 3 months preceding the commencement of APP is materially lower than the level of pensionable pay the member would have normally received, the employer may substitute a higher level of pensionable pay when calculating APP.



Employer Discretions for the Local Government Pension Scheme

Our policy concerning substituting a higher level of pensionable pay when calculating APP

Where there is an irregularity occurring in the calculation of APP which results in the member suffering unfair detriment to their pension benefit, we will decide whether it is fair to substitute a higher salary for the purposes of calculating APP. Due consideration will be given to the level of pensionable pay received in the previous 12 months with the intention of 'smoothing out' the irregularity.

16. Regulation 74 – Applications for Adjudication of Disagreements

Anthem must appoint a person ("the adjudicator") to consider applications from any person whose rights or liabilities under the Scheme are affected by:

- a) a decision under regulation 72 (first instance decisions); or
- b) any other act or omission by the Trust or administering authority,

and to make a decision on such applications.

Responsibility for determinations under this first stage of the Internal Disputes Resolution Procedure (IDRP) rests with "the adjudicator" as named below or by a nominated delegate on behalf the Trust. Any delegate will be a member of the senior management team:

Name:	Mr Mohsen Ojja
Job Title:	Chief Executive Officer
Address:	Anthem Schools Trust Highbridge House 16-18 Duke Street Reading RG1 4RU
Email:	MOjja@anthemtrust.uk
Tel No:	0118 902 1637

Declaration

It is understood that the discretions contained within this statement of policy are applicable to all eligible members of the Scheme. The Scheme rules allow for a revised statement to be issued at least one month in advance of the date that any new policy takes effect. The revised statement will be sent to all the Local Government Pension Scheme administering authorities across the Anthem family and we will publish our statement, as revised, to all Schools for retention in a place that is accessible to all eligible scheme members.