



CHRIST THE KING CATHOLIC COLLEGIATE

A Multi Academy Company



Together as one community with Christ at the centre

Employer Discretions Policy (Under the LGPS)

Date: January 2019

Adopted: April 2019

Review: March 2021



References:

The Local Government Pension Scheme Regulations 2013 (“the 2013 Regulations”)

and

The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 (“the 2014 Regulations”)

Overview

The Local Government Pension Scheme (“LGPS”) in England and Wales was amended with effect from 1 April 2014. The provisions of the amended LGPS are now contained in the 2013 Regulations and the 2014 Regulations. This policy statement relates to the exercise of the employer discretions contained in the above Regulations.

General Principles to be Adopted in Exercising Discretions

Christ the King Catholic Collegiate Multi-Academy Company (“CtKCC”), in formulating the policy statements outlined below, has sought to ensure that its discretionary powers will be exercised reasonably. The discretionary powers;

- will be exercised in the public interest;
- will not be used for an ulterior motive;
- will be used with regard to all relevant factors (costs to CtKCC will be balanced against benefit for CtKCC);

- will only be used where there is a real and substantial benefit to CtKCC in return for incurring extra costs;
- will only be used having considered the views of the scheme Actuary; and
- will be duly recorded when used.

CtKCC will also consider the views of the pensions administering authority (currently Staffordshire County Council).

In support of its deliberations regarding requests made on compassionate grounds, CtKCC will take into account all relevant factors and require whatever information, documentation and supporting evidence it considers appropriate.

The employer discretionary powers will be exercised having regard to the extent to which the exercise of any policy discretion would lead to a serious loss of confidence in the public service.

The policy statements do not limit or fetter how CtKCC exercises any of the discretions afforded by the pension scheme.

The Discretions

Regulation	Policy
<p>Regulation 9(1) & (3) – Contributions</p> <p>Where an active member changes employment or there is a material change which affects the member's pensionable pay during the course of a financial year, the Scheme employer may determine that a contribution rate from a different band (as set out in Regulation 9(2)) should be applied.</p> <p>Where the Scheme employer makes such a determination it shall inform the member of the revised contribution rate and the date from which it is to be applied.</p> <p>Scheme Employer's policy concerning the re-determination of active members' contribution bandings at any date other than 1st April</p>	<p>The Academy's policy is to set contribution rates based on actual pay as at 1 April each year and not to make any changes during the year, except in the following circumstances:</p> <ul style="list-style-type: none"> (i) pay is permanently reduced, such that it would cause a move to a lower band (ii) pay is permanently increased, such that it would cause a move to a higher band (iii) a contractual additional payment is applied that would cause a move to a higher band <p>In all other circumstances assessment will be made on the actual pay at the end of March each year.</p>
<p>Regulations 16(2)(e) and 16(4)(d) of the 2013 Regulations</p> <p>Shared Cost Additional Pension Scheme</p> <p>An employer can choose to pay for or contribute towards a member's Additional Pension Contract via a Shared Cost Additional Pension Contract (SCAPC).</p>	<p>As a general rule CtKCC's policy is not to exercise this discretion but CtKCC will consider individual cases on their merits having regard to the cost to CtKCC.</p> <p>Any application must be supported by a business case in writing.</p>

Regulation 30(6) of the 2013 Regulations & regulation 11(2) of the 2014 Regulations

Flexible Retirement

Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while still continuing in employment. This is subject to the employer agreeing to the member either reducing their hours or moving to a position on a lower grade.

In such cases, pension benefits will be reduced in accordance with actuarial tables, unless the employer waives reduction on compassionate grounds or a member has protected rights.

When exercising its discretion in relation to flexible retirement, CtKCC will look at its operating requirements; have regard to pension fund members' individual circumstances and the impact on services of granting flexible retirement together with the cost to CtKCC.

As a general rule CtKCC will only grant flexible retirement to members where there is, in the opinion of the Board of Directors, a financial or operational benefit to CtKCC in granting the member's request for flexible retirement.

As a general rule CtKCC's policy is not to exercise this discretion but will consider individual cases on their merits having regard to the cost to CtKCC.

Any application by a scheme member must be supported by a business case in writing.

The Board of Directors will not as a general rule exercise its discretion to waive any actuarial reduction in benefits although each case will be considered on its merits (see further below).

<p>Regulation 30(8) of the 2013 Regulations</p> <p>Waiving actuarial reduction</p> <p>Employers have the power to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members benefits paid on the grounds of flexible retirement.</p> <p>Employers may also waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to member's benefits for deferred members and suspended tier 3 ill health pensioners who elect to draw benefits on or after age 60 and before normal pension age.</p> <p>Employers also have the power to waive, in whole or in part, the actuarial reduction applied to active members benefits when a member chooses to voluntarily draw benefits on or after age 55 and before age 60.</p>	<p>As a general rule CtKCC's policy is not to exercise these discretions but it will consider individual cases on their merits having regard to the compassionate grounds of individual members and having regard to the cost to CtKCC.</p>
<p>Regulation 30a (3) – Early Payment of Pension (Tier 3 ill health)</p> <p>Employers may give consent to the early payment of pre 1 April 2014 suspended tier 3 ill health pension where a member, aged 55 or more applies before age 60.</p> <p>Any cost for the early payment would fall on the employer. If the benefits payable would normally be reduced for early payment, an employer may agree to waive all or part of the reduction, on compassionate grounds. The cost of doing so would fall on the employer.</p>	<p>CtKCC will determine on an individual case by case basis whether any actuarial reduction is waived on compassionate grounds. Each case will be determined on its merits by the Board of Directors.</p>
<p>Schedule 2, paragraphs 1(1)(c), 2(2) and 2(3) of the 2014 Regulations</p> <p>Power of employing authority to 'switch on' the 85 year rule</p> <p>An employer can choose whether to 'switch on' the 85 year rule for members who voluntarily retire on or after age 55 and before age 60.</p> <p>An employer can also choose to waive, on compassionate grounds, the actuarial reduction applied to benefits for a member voluntarily drawing benefits on or after age 55 and before age 60.</p>	<p>CtKCC's policy is not to switch on the 85 year rule or, as a general rule, to exercise the discretion to waive on compassionate grounds the actuarial reduction but the Board of Directors will consider individual cases on their merits and having regard to the cost to CtKCC.</p>

<p>Regulation 31 of the 2013 Regulations</p> <p>Power of employing authority to grant additional pension to active members</p> <p>An employer can choose to grant additional pension to an active member or to a member within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6500* per annum).</p> <p>(*the figure of £6500 will be increased each April under Pensions Increase Orders)</p>	<p>As a general rule CtKCC's policy is not to exercise this discretion, but it will consider individual cases on their merits and having regard to the cost to CtKCC.</p> <p>An application for additional pension must be supported by a business case in writing.</p>
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Application Process

Employees are encouraged to take independent financial advice before making a decision to apply for early release of benefits or flexible retirement options and to consult with the relevant Pension provider to confirm eligibility and obtain estimates of benefits.

All valid and eligible formal applications will be considered by the Board of Directors.

Decisions/Feedback

The Headteacher or a member of the Senior Team will liaise with the employee following the decision made by the Board of Directors. Feedback will be provided to the individual where an application has not been approved together with the opportunity to discuss other potential options.

Any complaints relating to decisions in these matters would need initially to be raised under the pension scheme's Internal Disputes Resolution Procedure, details of which are available from the pension scheme administrator.

This policy confers no contractual rights.

Christ the King Catholic Collegiate (CtKCC) Multi-Academy Company (MAC) retains the right to change this policy at any time.

Only the policy which is current at the time a relevant event occurs to the Scheme member will be the one applied to that member.

A copy of this document is being published on the CtKCC website and is being sent to Staffordshire County Council as the appropriate pensions administering authority. In preparing this policy statement we have had regard to the extent to which the exercise of the functions mentioned in this policy could lead to a serious loss of confidence in the public service. We are satisfied that our adopted policies would not lead to any such loss of confidence and that the policy individually and generally is workable, affordable and reasonable having regard to foreseeable costs.

This policy will be subject to review from time to time. Any subsequent change in this policy statement will be notified to affected employees and to Staffordshire County Council and will be published on the CtKCC website.