



LGPS Discretionary Policy

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12. Whether the SUAT will permit late inward transfer of pension rights.

Statement of Intent

Under the Local Government Pension Scheme (LGPS) (Benefits, Membership and Contributions Regulations 2008), the SUAT is required to compose, publish and keep under review a policy statement in relation to the exercising of a number of discretions under the LGPS.

To ensure value for money and financial stability, the SUAT has adopted an approach that benefits the size, finances and current staffing levels at its member academies. In addition, the decisions regarding the discretionary powers have been taken to ensure the affordability of the scheme to all members.

The SUAT is committed to equality and this policy has been created in accordance with anti-discrimination laws, the Equality Act 2010 and with regard to Age Regulations.

In addition to the above, the Trust is required to adhere to a number of provisions and to create and implement effective procedures for administration of the LGPS scheme. These duties and procedures are detailed in this policy.

1. Discretionary Decisions

1.1. The SUAT as an LGPS Employer, is legally required to provide employees and LGPS scheme members with information regarding their decision to include or omit the following discretions in their LGPS scheme:

- 1.1.1. Whether to augment membership of an active member (by up to 10 years).
- 1.1.2. Whether to grant additional pension to a member (by up to £5,000 p.a.).
- 1.1.3. Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).
- 1.1.4. Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.
- 1.1.5. Whether to grant application for early payment of benefits on or after age 55 and before age 60 (for both active and deferred members).
- 1.1.6. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early.
- 1.1.7. Whether to grant an application for the reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60.
- 1.1.8. Whether to waive, on compassionate grounds, the actuarial reduction applied to the reinstatement of a suspended tier 3 ill health pension paid early (i.e. on or after age 55 and before age 60).
- 1.1.9. Whether the SUAT will adopt a discretionary injury benefit scheme.
- 1.1.10. Whether the SUAT will permit late inward transfer of pension rights.

2. LGPS 2014 Overview

2.1. The LGPS 2014 is a Career Average Revalued Earnings (CARE) Scheme.

2.2. Accrual rate is 1/49th

2.3. The revaluation rate is based on the CPI (Consumer Price Index).

2.4. Pensionable Pay is all pay including non-contractual overtime and additional hours for part time staff.

2.5. Contribution rates are in bands as detailed below:

From	To	Gross Rate
	Up to £13,500	5.50%
£13,501	£21,000	5.80%
£21,001	£34,000	6.50%
£34,001	£43,000	6.80%
£43,001	£60,000	8.50%
£60,001	£85,000	9.90%
£85,001	£100,000	10.50%
£100,001	£150,000	11.40%
More than £150,001		12.50%

2.6. Contribution flexibility is now available with a 50/50 option. 50% contribution to a 50% pension.

2.7. Normal pension age is currently a minimum of 65.

2.8. There is a lump sum trade off of £1 annual pension for £12 lump sum.

2.9. The death in service is 3 * pensionable pay.

2.10. The death in service survivor benefits are 1/160th accrual rate based on Tier 1 ill health pension enhancement

2.11. The ill health provision is as follow:

2.11.1. Tier 1 – Immediate payment with service enhanced to Normal Pension Age.

2.11.2. Tier 2 – Immediate payment of pension with 25% service enhancement to Normal Pension Rate.

2.11.3. Tier 3 – Temporary payment of pension for up to 3 years.

2.12. The LGPS indexation of pension in payment is based on the CPI.

2.13. The vesting period is 2 years.

2.14. The administrating authority for the SUAT is Staffordshire Pension Fund.

2.15. The Actuary for the SUAT is Hymans Robertson LLP.

3. Key roles and responsibilities

- 3.1. The Board of Trustees has overall responsibility for the implementation and monitoring of the LGPS Discretionary Policy at the SUAT.
- 3.2. The Board of Trustees has responsibility for ensuring that the LGPS Discretionary Policy, as written, does not discriminate on any grounds, including but not limited to: age, ethnicity/national origin, culture, religion, gender, disability or sexual orientation.
- 3.3. The Board of Trustees has overall responsibility for handling complaints regarding this policy as outlined in the SUAT Complaints Policy.
- 3.4. In the first instance, complaints should be directed to the Chief Executive Officer of the SUAT or the CFO of the SUAT.
- 3.5. The SUAT CFO has responsibility for the day-to-day implementation and management of the LGPS Discretionary Policy for the SUAT.
- 3.6. Staff members enrolled on the LGPS will be responsible for following the LGPS Discretionary Policy.

4. Whether to augment membership of an active member (by up to 10 years).

- 4.1. The SUAT may agree, at its own cost, to award a member additional membership up to a maximum of ten years.
- 4.2. The SUAT will only consider doing so in cases where there is a clear financial or administrative advantage to a member academy.

5. Whether to grant additional pension to a member (by up to £5,000 p.a.).

- 5.1. The SUAT may agree, at its own cost, to award a member an additional pension up to a maximum of £5,000 p.a.
- 5.2. An academy will only consider doing so in cases where there is a clear financial or administrative advantage to a member academy.

6. Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).

- 6.1. The SUAT may agree, at its own cost (if there is any) for a member aged 55 or over, who reduces their grade, hours of work, or both, to receive all or part of their LGPS benefits immediately, even though they have not left the Trust's employment.
- 6.2. The SUAT will only consider doing so in cases where there is a clear financial or administrative advantage to a member academy.

7. Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.

7.1. If the benefits on flexible retirement would normally be reduced for early payment, the SUAT may agree, at its own cost, to waive all or part of the reduction.

7.2. The SUAT will only consider doing so in cases where there is a clear financial or administrative advantage to a member academy.

8. Whether to grant application for early payment of benefits on or after age 55 and before age 60 (for both active and deferred members).

8.1. The SUAT may agree, at its own cost, for a member aged 55 or over, who leaves its employment without an automatic entitlement to immediate LGPS benefits, to receive their benefits immediately.

8.2. The SUAT will only consider doing so in cases where there is a clear financial or administrative advantage to a member academy.

9. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early.

9.1. If the benefits payable in such cases would normally be reduced for early payment, the SUAT may agree, at its own cost, to waive all or part of the reduction if there were compassionate grounds for doing so.

9.2. The SUAT will consider any cases arising on their individual merits.

9.3. Decisions regarding the waiving of actuarial reductions are delegated to the SUAT CEO.

10. Whether to grant an application for the reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60.

10.1. **For current employees** – where there is no financial or operational disadvantage to a member academy, or where unforeseen circumstances might result in the employee suffering personal hardship, a request for early payment of benefits will normally be accepted.

10.2. It will require the prior recommendation of the SUAT CFO, the Principal / Headteacher and the Local Academy Council.

10.3. **For former employees** – where there is no financial or operational disadvantage to a member academy, a request for early payment of deferred benefits will normally be accepted (other than on the grounds of permanent ill-health or compassion).

11. Whether to waive, on compassionate grounds, the actuarial reduction applied to the reinstatement of a suspended tier 3 ill health pension paid early (i.e. on or after age 55 and before age 60).

11.1. Only in cases where unforeseen circumstances will result in severe and lasting personal hardship will a request for early unreduced payment of benefits on compassionate grounds from a retiring employee be considered.

- 11.2. It will require the prior recommendation of the SUAT CFO, the Principal / Headteacher and the Local Academy Council.

12. Whether to adopt a discretionary injury benefit scheme.

- 12.1. The SUAT has adopted a discretionary injury benefit scheme. This allows the payment of a lump sum or allowances to an employee that they would not otherwise be eligible for, following an injury sustained, or disease contracted, whilst carrying out their normal duties.
- 12.2. An award may be granted where an employee suffers a reduction in remuneration as a direct result of an injury sustained, or disease contracted, whilst carrying out their normal duties.
- 12.3. An award may be granted where an employee loses employment due to permanent incapacity as a direct result of an injury sustained, or disease contracted, whilst carrying out their normal duties.
- 12.4. A certificate from an independent registered medical practitioner (IRMP) must be obtained prior to any award.
- 12.5. The amount of any award will be determined by the Trust, having due regard to all the circumstances of the case.
- 12.6. The cost of any award will not be met out of any pension fund.

13. Whether the Trust will permit late inward transfer of pension rights.

- 13.1. The SUAT will consider extending the time limit of 12 months for employees to transfer the value of a previous pension scheme if there is clear evidence that they had not been informed of, or could not reasonably have known, the time limit.
- 13.2. The SUAT will also consider extending the time limit for late inward transfers where there is evidence of significant administrative delays.
- 13.3. Decisions regarding the acceptance of late inward transfers are delegated to the SUAT CFO and the Principal / Headteacher.

14. The LGPS Member Records

- 14.1. The SUAT's pay role provider is responsible for maintaining a clear and up to date record of all school staff enrolled in the LGPS.
- 14.2. The scheme will have details of each member's:
- 14.2.1. Full Name
 - 14.2.2. National Insurance Number
 - 14.2.3. Current full time equivalent (FTE) salary
 - 14.2.4. Hours & Weeks worked
 - 14.2.5. Contact details for payroll & HR use

14.2.6. Contribution Rate

14.2.7. Service Start Date/Pension Start date (if different)

14.2.8. Changes in contribution rate

15. Salary Reviews– re Staff Overtime

15.1. From 1st April 2014, overtime is classed as pensionable pay. In response the Trust is required to introduce additional measures to ensure employee contributions are correct and pension pay is fair and accurate.

15.2. Spot checks will be carried out by the SUAT CFO to ensure percentage calculations are correct and accurate.

15.3. This will be reviewed annually.

16. Auto- Enrolment

16.1. This is a government strategy to encourage more people to save for their retirement and requires employers to enrol their workers into a workplace pension scheme. This applies to those who are not already in one and who:

16.1.1. Earn over the current minimum value.

16.1.2. Are aged over 22.

16.1.3. Are under state pension age.

16.2. There is the provision to opt out of the pension scheme when an employee starts work but it is the employee who has to action this. If the employee opts out it is for a maximum of 3 years and then the employee will automatically be enrolled and the cycle continues.