

**Discretionary Policy**

[Post 1 April 2014 scheme](http://www.priory.n-somerset.sch.uk/policies/MX-3110N_20131021_133542.pdf)

**History of Policy Changes**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Version | Author | Origin of Change e.g. TU request, change in legislation | Changed by |
| April 2014 | 1 | Rod Sibley | Creation of policy |  |
| September 2017 | 2 | Rod Sibley | Updated to include all schools within the PLT | Amy Boyle |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

This policy applies to the following schools within the Priory Learning Trust:

* Priory Community School Academy
* Worle Community School Academy

|  |  |
| --- | --- |
| Date policy adopted | September 2017 |
| Review cycle | Annual |
| Review date | September 2018 |

**Background**

The Priory Learning Trust (PLT) has to exercise discretion in relation to a number of matters covered by the Local Government Pension Scheme (LGPS) Regulations 2013, the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, the LGPS Regulations 2008 and the LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended) and PLT’s policy in respect of these is proposed as follows:

**PLT Policy**

|  |  |
| --- | --- |
| **Regulation 31, 16(2) (e) and 16 (4) (d)** | **Power of employer to grant additional LGPS pension membership** |
| Regulation 31 allows PLT to award additional annual pension of up to £6,500 a year (as at 1 April 2014), to an active scheme member or within 6 months of leaving to a member whose employment was terminated on the ground of redundancy or business efficiency.  Where an active scheme member wishes to purchase extra annual pension of up to £6,500 (figure as at 1 April 2014) by making Additional Pension Contributions (APAC’s), regulation 16 (2) (e) and 16 (4) (d) allows PLT to voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC). | |
| **Policy** | PLT will not normally make use of these discretions as it has no intention of increasing LGPS membership for an employee. PLT may consider the use of these regulations in exceptional circumstances. |

|  |  |
| --- | --- |
| **Regulation 30 (6) and 30 (8)** | **Power of employer to agree to the release of all or some LGPS pension benefits if an employee reduces their hours or grade** |
| This regulation allows PLT to agree to the release of all or some pension benefits for a LGPS member aged 55 or over whom, with PLT’s consent, reduces their hours worked or their pay grade – i.e. Flexible Retirement. Regulation 30 (8) also allows PLT to agree to waive any actuarial reduction in pension benefits connected with the ‘Flexible Retirement’. | |
| **Policy** | PLT will consider each application for early release of pension benefits through ‘Flexible Retirement’ on its merits , taking account of the following:   * The ‘Flexible Retirement’ should have no significant detrimental impact on service delivery or costs to PLT and may bring benefits in terms of financial savings or facilitating organisational change that flexible retirement would bring. * The reduction in hours is at least 14.8 hours each week, or * The employee is able to move to a post at least one grade lower, or the employee’s existing post has been evaluated at least one grade lower * There are no pension costs to PLT   PLT will not normally make use of the discretion under Regulation 30 (8) to waive any actuarial reduction in pension benefits connected with the ‘Flexible Retirement’, but may wish to consider meeting these costs in exceptional circumstances. |

|  |  |
| --- | --- |
| **Regulation 30 (8)** | **Power of employer to agree to waive any actuarial reductions for active members voluntarily retiring on/or after 55 and immediately drawing pension benefits or for deferred members and suspended Tier 3 ill health pensioners who elect to draw benefits (other than on ill health grounds) on or after age 55** |
| These regulations allow PLT to agree to waive in whole or in part any actuarial reduction in pension benefits connected with early retirement, either on compassionate grounds for benefits accrued prior to 1 April 2014 or on any grounds for any benefits accrued after 31 March 2014 | |
| **Policy** | PLT will not normally make use of the discretion to waive any actuarial reduction in pension benefits however PLT may consider exercising this discretion in exceptional circumstances, such as where the early retirement is in order to be the main carer for a terminally ill partner, or where it is in PLT’s business interests to do so. |

**Allocation of LGPS Contribution Bands**

Contributions bands for Members of the Local Government Pension scheme will be calculated each month according to pensionable pay. Contribution bands may therefore fluctuate should pensionable pay change.