engage enrich excel academies

Engage Enrich Excel Academies – Local Government Pension Scheme discretions policy

Date of Approval **A&R** 2021	**Review** 2023

General Principles

1.1. Under the rules of the Local Government Pension Scheme ("LGPS") the employer has the right to authorise discretion on a number of matters regarding the administration of the pension scheme.

1.2. For a number of discretions there is a statutory requirement to publicise the approach the employer will take.

1.3. The approach to exercising discretion in this policy is to allow the employer to make a reasonable decision in individual cases but also to be clear as to the factors it will take into account in making that decision.

1.4. In formulating and reviewing its policy statements the employer is required to:

• Have regard to the extent to which the exercise of their discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service, and,

• Be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

1.5. 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.

1.6. This policy confers no contractual rights.

1.7. Engage Enrich Excel Academies retains the right to change this policy at any time.

1.8. 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.

This policy deals with the Employing Authority's Discretions Under the following legislation:

Local Government Pension Scheme (Miscellaneous Amendment) Regulations 2018.
(A) Regulation 4 has effect from 17th April 2018;
(b) Regulation 5 has effect from:
(I) 5th December 2005 in respect of a surviving civil partner of a member; and
(ii) 13th March 2014 in respect of a surviving spouse of a same sex marriage with a member

Regulation	Discretion	Policy Summary	Explanation
Regulations 9 and 10 Pensions Regulations	Members must pay pension contributions at the appropriate rate set on 1st April or the first day of active membership, if later. The employer may vary the contribution rate if there is a change in employment or a material change that affects the member's pensionable pay.	EEEA may vary the employee's contribution rate if there is a material change and each case will be considered on its merits.	Contribution bands are set on 1st April but the employer may change them if a member changes jobs or has a material pay increase / decrease.
Regulation 21(5), 21(5A) and 21(5B) Pension Regulations	If a member is absent as a result of illness, child related leave or reserve forces leave their pension benefits may be based on assumed pensionable pay (APP). If, in the employer's opinion, the member's APP is materially lower than their pay in the twelve months preceding the absence they can either include (1) a "regular" lump sum received during that period or (2) substitute a higher pensionable pay having regard for their earnings in that period.	EEEA may increase assumed pensionable pay and each case will be considered on its merits.	If a member's APP is lower than their regular pensionable pay the employer can either substitute a higher rate of pay, based on the pay they received in the year before the absence began, or, include regular lump sums received during that period.
Regulations 16(2)(e) and 16(4)(d) Pensions Regulations,	Whether to fund, in whole or in part, a shared cost additional pension contributions (SCAPC) on behalf of an active member by regular contributions (Regulation 16(2)(e)) or by lump sum (Regulation 16(4)(d)). **Note:** The amount of additional pension that may be credited to an active member's pension accounts may not exceed the overall additional pension limit of £6,822 (April 2018 and uplifted annually).	EEEA will only contribute towards APCs in exceptional circumstances.	The employing authority can choose to pay additional pension contributions on behalf of active employees.
Regulation 17(1) and Schedule 1 (definition of SCAVC) Pension Regulations.	Whether to contribute towards a Shared Cost Additional Contribution arrangement. Pre-2014 SCAVCs also fall under Regulation 17 by virtue of Regulation 15(2A) Transitional Regulations.	EEEA will only contribute to SCAVCs in exceptional circumstances.	An employer can choose to contribute towards a SCAVC.

Regulation D11(2)(c) of 1995 Regulations	Whether to agree to early payment of pension benefits from age 50 on compassionate grounds. The employer should note that pension benefits paid before age 55 may attract an unauthorised payments surcharge and they may have to pay a strain cost because the pension benefits cannot be reduced.	EEEA will only agree to early payment of pension in exceptional circumstances. Update; Regulations was amended -it is no longer necessary for the employer to approve it	The employer may agree to payment from age 50, but they may incur an unauthorised payment surcharge and/or a capital cost.
Regulation 30(6), Pensions Regulations Regulations 11(2) and (3) of Transitional Regulations	Whether to agree to an employee aged 55 or over reducing their hours of work or their grade so that they may receive all or some of their retirement pension while still employed. Whether, in addition to any pre-1st April 2008 pension benefits which the member must draw, to permit the member to draw; (a) all, part or none of benefits accrued between 1st April 2008 and 31st March 2014 and (b) all, part or none of the pension benefits built up after 31st March 2014	EEEA will only award flexible retirement in exceptional circumstances.	The employing authority can agree to an employee aged 55 or over drawing all or some of their pension and continuing to work in the same employment on reduced hours, pay or grade. The employer should note that granting consent would trigger the 85-year rule and may require a capital payment.
Schedule 2 of Transitional Regulations	Whether to switch on the 85-year rule under Regulation 1(2) and 1(3) of Schedule 2 of the Transitional Regulations.	EEEA will only switch-on the 85-year rule in exceptional circumstances.	The employer can agree to switch on the 85-year rule, which may mitigate reductions that would, otherwise, apply but the employer may have to make a capital payment.
Regulation 30(8), Pensions Regulations	(Post 2014) Whether to agree to waive, in whole or in part, any actuarial reduction that would otherwise apply to the pension paid o a former employee aged 55 or over under 30(5) or 30(6) [flexible retirement] using regulation 30(8) of the Pension Regulations. (Pre-2014) Whether to waive actuarial reductions entirely under	EEEA will only waive actuarial reductions in exceptional circumstances.	The employing authority can agree to waive reductions to the pension of a member aged 55 or over who has left employment or been granted flexible retirement. The employer may be required to make a

Schedule 2 of Transitional Regulations	30(5) or 30A (5) [deferred pensioner members] of the Benefits Regulations and Regulation 2(1), of Schedule 2 of the Transitional Regulations.		capital payment if they do so.
Regulation 31, Pensions Regulations	To award additional pension at full cost to the employer: (1) an active member; or (2) a former active member who was dismissed by reason of redundancy, business efficiency or mutual consent on grounds of business efficiency. **Note:** Any additional pension awarded (including any additional pension purchased by the employer or the member under Regulation 16 of the Pensions Regulations) may not exceed the overall additional pension limit of £6,822 (April 2018 and uplifted annually). Additionally, in the case of a member falling within (2) above, the resolution to award additional pension must be made within 6 months from the date on which the employment ended.	EEEA will only award additional pension in exceptional circumstances.	This means the employing authority has the power to award additional pension to an active member. The employer can also award additional pension to members who leave on the grounds of redundancy, business efficiency or mutual consent on grounds of business efficiency – up to six months after termination. The employer would be required to make a capital payment (in addition to the cost of purchase) if the member retired early on any grounds apart from permanent ill-health.
Regulation 22 (7)(b), Pensions Regulations	Whether to allow an active member with concurrent employments, who ceases an employment with an entitlement to a deferred pension, more than 12 months to elect **not** to have their deferred pension aggregated with their active member's pension account.	EEEA will only extend the deadline in exceptional circumstances.	The employing authority can allow a member who leaves one of two (or more) employments - held at the same time - longer than 12 months to elect **not** to combine the deferred pension with the ongoing active pension.
Regulation 22 (8)(b),	Whether to allow a deferred member who becomes an active	EEEA will only extend the deadline in	The benefits are usually aggregated (joined-up),

Pensions Regulations	member longer than 12 months in which to elect **not** to have their deferred benefits aggregated with the benefits in their active member's pension account.	exceptional circumstances.	**unless** the member elects to keep them separate. The employing authority can agree to a former member having longer than 12 months to choose not to combine their pensions.
Regulation 10(6)(b) Transitional Regulations	Whether to allow a deferred member who becomes an active member longer than 12 months in which to **elect** for their pre-2014 deferred benefits to be aggregated with their active member's pension account (but, technically, they would lose the final salary link if they have not made an election under 5(5) Transitional Regulations within twelve months of becoming an active member of 2013 scheme).	EEEA will only extend the deadline in exceptional circumstances.	The pre-2014 preserved benefits will be kept separate **unless** the member makes a positive election to aggregate them. The employing authority can agree to a former member having longer than 12 months to choose to combine their pensions.
Regulation 100, Pensions Regulations	Whether to allow an employee who has been an active member in their current employment for more than 12 months to ask for the transfer of certain accrued pension rights to be considered. **Note:** Regulation 100(6) of the Pensions Regulations requires that a request must be made within 12 months beginning with the date on which the member first became an active member in an employment or such longer period as the employer and the Administering Authority may allow. The discretion is, therefore, only exercisable if **both** the Employing Authority and the Administering Authority agree.	EEEA will only extend the deadline in exceptional circumstances.	Members who have been in the pension scheme for more than twelve months can ask for a transfer-in to be considered - but it will only be investigated if **both** the employing authority and the administering authority agreed.
Regulation 5, Compensation	Whether to base redundancy pay on actual pay where actual pay exceeds the statutory maximum	EEEA may pay statutory improved redundancy payments and each	The employer can base the calculation of a week's pay for

Regulations 2006	under the Employment Rights Act 1996 (£508.00 from April 2018).	case will be considered on its merits.	redundancy on actual pay if it is higher than the statutory limit (currently £508 in April 2018).
Regulation 6, Compensation Regulations 2006	Whether to pay compensation to a person whose employment ceases - by reason of redundancy; - in the interests of the efficient exercise of the employing authority's functions; or in the case of a joint appointment, because the other holder of the appointment leaves **Note:** Compensation may not be paid under this Regulation if: - a person's period of membership of the Pension Scheme has been increased under Regulation 12 of the Benefits Regulations 2007 (see above); or - A person has been awarded an additional pension under Regulation 13 of the Benefits Regulations 2007 see above). In all cases the amount of compensation paid under this Regulation may not exceed 104 weeks' pay <u>less</u> any redundancy payment payable. In all cases the decision to pay compensation under this Regulation must be made no later than 6 months after the date of termination of the person's employment.	EEEA will only award compensation for loss of employment in exceptional circumstances.	The employing authority can make an award of up to 104 week's pay (less any redundancy payment payable).
14(1) of the Compensation Regulations 2011	Scheme employers (LGPS employers), **apart from admission bodies**, must formulate, publish and keep under review a policy on:	EEEA will only pay injury allowances in exceptional circumstances.	An employing authority may award an injury allowance to employees who contract an injury or illness related to their employment.

	1. whether to make an injury award to those who sustain an injury or contract a disease as a result of anything they were required to do in performing the duties of their job and in consequence of which they: ◦ - suffer a reduction in remuneration, or ◦ - cease to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease, or ◦ - die leaving a surviving spouse, civil partner or dependant, and 2. If the Scheme employer has a policy to make such payments, how it will determine the amount of injury allowance to be paid?		