

St Francis of Assisi Academies Trust Local Government Pension Scheme 2014 (LGPS) - Employer Policy Statement

The new pension scheme rules, which apply from 1 April 2014, require each scheme employer within the LGPS to publish a statement with regards to how the employer will respond to discretionary aspects of the scheme rules and regulations.

This statement will be published on the St Francis of Assisi Academies Trust's School websites and will also be made available on the Human Resources intranet page or by contacting a Human Resource Adviser.

The date of this publication is: June 2014

The effective date of this policy is: 1st April 2014

This is the formal employer's policy in respect of the employer that is currently known as: St Francis of Assisi Academies Trust

This policy applies to: Prospective members, current contributory members and pensioner members of the Local Government Pension Scheme (LGPS), and their dependants.

Within the document the St Francis of Assisi Academies Trust (SFAAT) will be used in place of the four schools in the Trust, these being:

St Joseph's Catholic Lower School
St John Rigby Catholic Primary School
St Gregory's Catholic Middle School
St Thomas More Catholic Teaching School

This statement will be reviewed and may change from time to time. LGPS/employee members should obtain the latest version of this document before making any decisions in respect of their retirement provisions as the situation may have changed.

LGPS/employee members are advised to read this statement in conjunction with the information provided in respect of the benefits provided by the LGPS – the occupational pension scheme provided by St Francis of Assisi Academies Trust.

This policy does not convey any form of contractual rights for LGPS/employee members. The policy will be reviewed and may be subject to change, only the version of the policy that is 'current' at the time at which an event occurs will be the one applied for the purposes of LGPS benefits or membership.

In publishing this policy the scheme employer is required to pay due regard to

the requirement that the formulated policy and its application and the extent to which the exercise of the discretions could lead to a serious loss of confidence in the public service;

St Francis of Assisi Academies Trust will not use this policy for any ulterior motive, it will ensure that such discretions will be exercised reasonably and where a cost is incurred it will only be used when there is a future benefit to the employer for incurring the extra costs that may arise or be associated with the discretion. It will ensure that where exercised any discretions that incur additional costs, will be applied and recorded as appropriate.

Local Government Pension Scheme 2014 (LGPS) - Employer Policy Statement

Employer discretions required under:

The Local Government Pension Scheme Regulations 2013 [prefix R]

The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [prefix TP]

Regulation R16 (2)(e) & R16 (4)(d)

Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.

The Scheme employer may resolve to fund in whole or in part any arrangement entered into by an active scheme member to pay additional pension contributions by way of regular contributions in accordance with Regulation 16(2)(e), or by way of a lump sum in accordance with Regulation 16(4)(d).

The Scheme employer may enter into an APC contract with a Scheme member who is contributing to the MAIN section of the Scheme in order to purchase additional pension of not more than the additional pension limit (£6,500 from 1st April 2014 subject to annual increase in line with the Pensions (Increase) Act 1971).

The amount of additional contribution to be paid is determined by reference to actuarial guidance issued by the Secretary of State.

Consideration needs to be given to the circumstances under which the Scheme employer may wish to use their discretion to fund in whole or in part an employee's Additional Pension Contributions.

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

R30(6) & TP11(2)

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

An active member who has attained the age of 55 or over and who with the agreement of their employer reduces their working hours or grade of employment may, with the further consent of their employer, elect to receive immediate payment of all or part of the retirement pension to which they would be entitled in respect of that employment as if that member were no longer an employee in local government service on the date of the reduction in hours or grade (adjusted by the amount shown as appropriate in actuarial guidance issued by the Secretary of State – separate policy required under Regulation 30(8)).

As part of the policy making decision the Scheme employer must consider whether, in addition to the benefits the member may have accrued prior to 1 April 2008 (which the member must draw), to permit the member to choose to draw all, part or none of the pension benefits they built up after 31 March 2008 and before 1 April 2014 and all, part or none of the

pension benefits they built up after 1 April 2014.

Due consideration must be given to the financial implications of allowing an employee to draw all or part of their pension benefits earlier than their normal retirement age.

St Francis of Assisi Academies Trust policy is:

That it will operate a Flexible Retirement Scheme.

The decision making process for flexible retirement is contained within the Trust's Flexible Retirement Policy. The Trust will consider applications on a case by case basis taking into account all the relevant circumstances. Where consent is given to flexible retirement, the Trust will pay accrued retirement benefits in full.

R30(8)

Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement. Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.

Where a Scheme employer's policy under regulation 30(6) (flexible retirement) is to consent to the immediate release of benefits in respect of an active member who is aged 55 or over, those benefits must be adjusted by an amount shown as appropriate in actuarial guidance issued by the Secretary of State (commonly referred to as actuarial reduction or early payment reduction).

A Scheme employer (or former employer as the case may be) may agree to waive in whole or in part and at their own cost, any actuarial reduction that may be required by the Scheme Regulations.

Due consideration must be given to the financial implications of agreeing to waive in whole or in part any actuarial reduction.

St Francis of Assisi Academies Trust policy is:

Flexible retirement will normally only be granted where this does not generate a cost for the Trust to the pension fund. However in some exceptional circumstances the Trust will consider the discretion in accordance with the Flexible

TP Sch 2 para 2(2)

Whether to "switch on" the 85-year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

Where a scheme member retires or leaves employment and elects to draw their benefits at or after the age of 55 and before the age of 60 those benefits will be actuarially reduced unless their Scheme employer agrees to meet the full or part cost of those reductions as a result of the member otherwise being protected under the 85 year rule as set out in previous Regulations.

So as to avoid the member suffering the full reduction to their benefits the Scheme employer can 'switch on' the 85 year rule protections thereby allowing the member to receive fully or partly unreduced benefits but subject to the Scheme employer paying a strain (capital) cost to the Pension Fund.

St Francis of Assisi Academies Trust Policy is:

That in some exceptional circumstances the Trust will consider the discretion. Consideration and approval of any

TP Sch 2 para 2(3)

Whether to waive on compassionate grounds the actuarial reduction applied to benefits from pre 1/4/14 membership where the employer has switched on the 85-year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

So as to avoid the member suffering the full reduction to their benefits the Scheme employer can 'switch on' the 85 year rule protections thereby allowing the member to receive fully or partly unreduced benefits but subject to the Scheme employer paying a strain (capital) cost to the Pension Fund

St Francis of Assisi Academies Trust Policy is:

That in some exceptional circumstances the Trust will consider the discretion. Consideration and approval of any

R31

Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a.)

A Scheme employer may resolve to award

- (a) an active member, or
- (b) a member who was an active member but dismissed by reason of redundancy, or business efficiency, or whose employment was terminated by mutual consent on grounds of business efficiency,

additional annual pension of, in total (including any additional pension purchased by the Scheme employer under Regulation 16), not more than the additional pension limit (£6,500 from 1st April 2014 subject to annual increase in line with the Pensions (Increase) Act 1971).

Any additional pension awarded is payable from the same date as any pension payable under other provisions of the Scheme Regulations from the account to which the additional pension is attached.

In the case of a member falling within sub-paragraph (b) above, the resolution to award additional pension must be made within 6 months of the date that the member's employment ended.

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

**Employer discretions required under:
The Local Government Pension Scheme Regulations 2007
(as amended) [prefix B]**

B12

Whether, for a member leaving on the grounds of redundancy or business efficiency on or before 31st March 2014, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving. Hence this discretion is spent entirely after 30th September 2014.

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

B30(2)

Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60

St Francis of Assisi Academies Trust policy is:

That in some exceptional circumstances the Trust will consider the discretion. Consideration and approval of any

B30(5)

Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30

St Francis of Assisi Academies Trust policy is:

That in some exceptional circumstances the Trust will consider the discretion. Consideration and approval of any

B30A(3)

Whether to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

B30A(5)

Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

**Employer discretions required under:
The Local Government Pension Scheme Regulations 1997
(as amended) [prefix L]**

L31(2)

Grant application from a post 31.3.98. / pre 1.4.08. leaver or from a Trustlor for early payment of benefits on or after age 50/55 and before age 60

St Francis of Assisi Academies Trust policy is:

That in some exceptional circumstances the Trust will consider the discretion.
Consideration and approval of any

L31(5)

Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early for a post 31.3.98. / pre 1.4.08. leaver or a Trustlor leaver

St Francis of Assisi Academies Trust policy is:

That in some exceptional circumstances the Trust will consider the discretion.
Consideration and approval of any

L31(7A)

Trustlor optants out and pre 1.4.8. employee optants out, while continuing in employment, only to get benefits paid from Normal Retirement Date (NRD) if employer agrees

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000]

Regulation 21(4)

How any surviving spouse's or civil partner's annual compensatory added years is to be apportioned where the deceased person is survived by more than one spouse or civil partner.

St Francis of Assisi Academies Trust policy is:

That benefits to be shared equally amongst the relevant

Regulation 25(2)

How it will decide to whom any children's annual compensatory added years payments are to be paid where children's pensions are not payable under the LGPS (because the employee had not joined the LGPS) and in such case how the annual added years will be apportioned amongst the eligible children

St Francis of Assisi Academies Trust policy is:

That benefits to be shared equally

Regulation 21(7)

Whether in respect of the spouse of a person who ceased employment before 1 April 1998 and where the spouses or civil partner remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal pension suspension rules should be disapplied i.e. whether the spouse's or civil partners annual compensatory added years payments should continue to be paid.

St Francis of Assisi Academies Trust policy is:

That the normal pension suspension

Regulation 21(5)

{If the decision in 21(7) is to apply suspension of benefits.}

...whether the spouses or civil partners pension should be reinstated after the end of the remarriage, new civil partnership or co habitation.

Not applicable as Regulation 21(7) is disapplied.

Regulation 21(7)

Whether, in respect of the spouses or civil partner of a person who ceased employment before 1 April 1998 and where the spouses or civil partner remarries or cohabits or enters into a civil partnership on or after 1 April 1998 with another person who is also entitled to a spouses or civil partners annual CAY payment, the normal rules requiring one of them to forgo payment whilst the period of marriage, civil partnership or co habitation lasts, should be disapplied i.e. whether the spouses or civil partners annual CAY payments should continue to be paid to both of them.

St Francis of Assisi Academies Trust policy is:

That the normal rules requiring one individual to forgo payment whilst the period of marriage, civil partnership or

Regulation 17

Whether to and to what extent to reduce or suspend the member's annual compensatory added years payment during any period of re-employment in local government.

St Francis of Assisi Academies Trust policy is:

That it will not reduce or suspend the annual compensatory added years

Regulation 19

How to reduce the member's annual compensatory added years payment following the cessation of a period of re-employment.

Not applicable as there is no reduction as set out at Regulation 17.

The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended)

Regulation 5

To base redundancy payments on an actual weeks pay where this exceeds the statutory weeks pay limit.

St Francis of Assisi Academies Trust policy is:

That it will base redundancy payments on an actual weeks pay where this

Regulation 6

To award lump sum compensation of up to 104 weeks pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.

St Francis of Assisi Academies Trust policy is:

That Trust will base the number of weeks compensation in cases of redundancy on the statutory redundancy scheme. In some exceptional circumstances the Trust may consider cases of early retirement in the efficient interest of the service. In these circumstances, the provision to pay up to 30 weeks payment at actual weekly

The Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

Formulating and publishing a policy under the Injury Allowances Regulations 2011 Each LGPS employer (other than an Admitted Body) is required to formulate, publish and keep under review the policy that it will apply in the exercise of its discretionary powers to make any award under the Injury Allowances Regulations.

Regulation 3(1)

Whether to grant an injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

Regulation 3(4) and 8

Amount of injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

Regulation 3(2)

Determine whether person continues to be entitled to an injury allowance awarded under regulation 3(1).

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

Regulation 4(1)

Whether to grant an injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

Regulation 4(3) and 8

Amount of injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

Regulation 4(2)

Determine whether person continues to be entitled to an injury allowance awarded under regulation 4(1).

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

Regulation 6(1)

Determine amount of any injury allowance to be paid under regulation 6(1)

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

Regulation 4(5)

Whether to suspend or discontinue injury allowance awarded under regulation 4(1) if person secures paid employment for not less than 30 hours per week for a period of not less than 12 months.

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

Regulation 6(2)

Determine whether and when to cease payment of an injury allowance payable under regulation 6(1)

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

Regulation 6(1)

Whether to grant an injury allowance following cessation of employment with entitlement to immediate LGPS pension where a reg 3 payment was being made at date of cessation of employment but reg 4 does not apply.

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

Regulation 7(1)

Whether to grant an injury allowance to the spouse, civil partner, nominated co-habiting partner or dependent of an employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

Regulation 7(2) and 8

Determine amount of any injury allowance to be paid under regulation 7(1)

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

Regulation 7(3)

Determine whether and when to cease payment of an injury allowance payable under regulation 7(1)

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

Further Employer Discretions in accordance with the Local Government Pension Scheme Regulations 2013

R9(1) & (3) – Contributions

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.

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.

St Francis of Assisi Academies Trust policy is:

That it will reassess the contribution band where an active member changes employment or a material change occurs during the course of the financial year. The Trust will inform the member of the revised contribution rate and the date from which it is to be applied.

R17(1) – Additional Voluntary Contributions

An active member may enter into arrangements to pay additional voluntary contributions (AVCs) or to contribute to a shared cost additional voluntary contribution arrangement (SCAVCs) in respect of an employment. The arrangement must be a scheme established between the appropriate administering authority and a body approved for the purposes of the Finance Act 2004, registered in accordance with that Act and administered in accordance with the Pensions Act 2004.

The Scheme employer needs to determine whether or not it will make

contributions to such an arrangement on behalf of its active members.

St Francis of Assisi Academies Trust policy is:

That the Trust will not ordinarily consider the discretion due to financial pressures at a time when there is a need to make significant savings in the

R21(5) – Assumed Pensionable Pay

A Scheme employer needs to determine whether or not to include in the calculation of assumed pensionable pay, any 'regular lump sum payment' received by a Scheme member in the 12 months preceding the date that gave rise to the need for an assumed pensionable pay figure to be calculated.

St Francis of Assisi Academies Trust policy is:

That it will include any regular lump sum payments as permitted by the Regulations in the calculation of assumed pensionable pay.

Detriment payments will continue to be excluded as permitted under Regulation 20, Paragraph 2(g) of the 2014 LGPS

R22 - Merging of Deferred Member Pension Accounts with Active Member Pension Accounts

A deferred member's pension account is automatically aggregated with their active member's pension account unless the member elects within the first 12 months of the new active member's pension account being opened to retain their deferred member's pension account.

A Scheme employer can, at their discretion, extend the 12 month election period.

St Francis of Assisi Academies Trust policy is:

That it will not normally extend the 12 month period to elect to retain separate benefits unless in exceptional

R74 Adjudication

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

- (a) decision under regulation 72 (first instance decisions); or
- (b) any other act or omission by a Scheme employer 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 by the Scheme employer:

St Francis of Assisi Academies Trust's 'Adjudicator's' details are:

To be confirmed

Regulation R100(6) –Transfers of Pension Rights into the LGPS

A request from an active member to transfer previously attained pension rights into the LGPS must be made in writing to the administering authority and the Scheme employer before the expiry of the period of 12 months beginning with the date on which the employee first became an active member in an employment (or^a such longer period as the Scheme employer and administering authority may allow).

St Francis of Assisi Academies Trust

That the option to transfer must normally be made within 12 months of joining the LGPS but the Trust will consider any application out of this time period on an individual basis.

Trust or Members – Local Authority Employers Only

Discretions to be exercised on and after 1 April 2014 in relation to active Trustor members, Trustor members who ceased active membership on or after 1 April 1998 and any other scheme members who ceased active membership between 1 April 1998 and 31 March 2008

Regulation 106 of the Local Government Pension Scheme Regulations 1997 Scheme employers are required to have a policy in relation to two specific discretions.

- Whether to grant applications for the early payment of pension benefits on or after age 50 and before age 60 [regulation 31(2) of the LGPS Regulations 1997], and

St Francis of Assisi Academies Trust policy is:

That in some exceptional circumstances the Trust will exercise the discretion.
Consideration and approval of any case

- Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65 [regulation 31(5) of the LGPS Regulations 1997]

St Francis of Assisi Academies Trust policy is:

That in some exceptional circumstances the Trust will exercise the discretion.
Consideration and approval of any case