



# Dame Alice Owen's School

## LOCAL GOVERNMENT PENSION SCHEME (LGPS) DISCRETIONS POLICY

Agreed by the Governing Body Personnel & Remuneration Committee

October 2016

Approved also by the Governing Body Finance & Audit Committee

at the Full Governing Body meeting on 29 November 2016

To be reviewed

Autumn 2017

*(reviewed annually)*

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### **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, the London Pensions Fund Authority (LPFA) on 01992 555466.
- 1.6. This policy confers no contractual rights.
- 1.7. Dame Alice Owen's School 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:**

- The Local Government Pension Scheme (Administration) Regulations 2008 (as amended) (Prefix A below)
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) (Prefix B below)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (Prefix C below)
- The Local Government Pension Scheme Regulations 2013 (Prefix D below)
- The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended) (Prefix E below)
- The Local Government Pension Scheme Regulations 1995 (Prefix F below)

**The following table applies to discretions which may be exercised on and after 1 April 2014 in relation to scheme members who left the scheme between 1 April 2008 and 21 March 2014**

<b>Regulation</b>	<b>Discretion</b>	<b>Employer’s Policy on the exercise of this discretion</b>
B12	Whether to augment membership of an active member (by up to 10 years)	Dame Alice Owen’s School will not exercise this discretion.
B13	Whether to grant additional pension to a member (by up to £5,000 p.a.)	Dame Alice Owen’s School will not exercise this discretion.
B18(1)	Whether all or some benefits can be paid if an employee reduces their hours or grade after reaching age 55 (flexible retirement)	Dame Alice Owen’s School will not exercise this discretion.
B18(3)	Whether to waive, in whole or in part, any actuarial reduction on benefits paid on flexible retirement.	Dame Alice Owen’s School will not exercise this discretion.
B30(2)	Whether to grant application for early payment of benefits on or after age 50/55 and before age 60	Dame Alice Owen’s School will not exercise this discretion.
B30(5)	Whether to waive, on compassionate grounds, the actuarial reduction on benefits paid early.	Dame Alice Owen’s School will not exercise this discretion.
B30 A	Whether to grant early release of pension benefits for former employees who are	Dame Alice Owen’s School will not exercise this

	deemed to be “pensioner members with deferred benefits” under ill health retirement provisions of the LGPS.	discretion.
A22(2)	Whether to extend the period for a member to elect to pay contributions to cover unpaid leave of absence, maternity, paternity, or adoption leave beyond 30 days after returning to work or leaving.	Dame Alice Owen’s School will not exercise this discretion.
A83(8)	If a scheme member wishes to transfer pension rights into the LGPS he/she must opt to do so within 12 months of joining the LGPS “or such longer period as the employer may allow”.	Dame Alice Owen’s School will not exercise this discretion.

**The following table applies to the discretions which may be exercised on and after 1 April 2014 in relation to active scheme members and members who cease active membership after 31 March 2014**

D16(2)(e) and D16(4)(d)	This regulation allows Dame Alice Owen’s School to fund employees additional pension contributions up to a maximum of £6,500 (as at 1 April 2014) either in whole or in part.	Dame Alice Owen’s School will not exercise this discretion.
D30(6)	Qualifying scheme members who are over age 55 can, with the consent of Dame Alice Owen’s School, continue to work for the Dame Alice Owen’s School on different terms and conditions and request to draw their pension entitlements (flexible retirement).	Dame Alice Owen’s School will not exercise this discretion.
D30(8)	Benefits payable pursuant to D30(6) and D30(5) will be adjusted in accordance with guidance issues by the Government Actuary.	Dame Alice Owen’s School will not exercise this discretion.
Rule of 85 protection	It should be noted that some people may ask for the “rule of 85 protections” to be applied when their pension benefits are being paid, rather than phrasing the question as asking for the “waiving of actuarial reduction”.	Dame Alice Owen’s School will not exercise this discretion.
D31	Whether to grant extra annual pension of up to £6,500 (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 grounds of redundancy or business efficiency.	Dame Alice Owen’s School will not exercise this discretion.
D9 & 10	Active members are required to make contributions on the basis of pensionable	Dame Alice Owen’s School will allocate employees to the

	pay bands. This policy is made to aid the administration of the scheme – in particular in setting the contribution rates to be applied to each individual. However, nothing in this policy can override the statutory provisions of the LGPS.	appropriate contribution rate according to pay band at 1 <sup>st</sup> April each year and adjust only where there is a contractual change during the year
D100 (6)	Whether, with the agreement of the Pension Fund administering authority, to permit a scheme member to elect to transfer other pension rights into the LGPS if he/she has not made such an election within 12 months of joining the LGPS.	Dame Alice Owen’s School will only extend the 12 months time limit in exceptional circumstances.
D17 & C15(1) (d) & A25(3) & B15(3)	Whether, how much, and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement entered into on or after 1 April 2014 and whether, how much, and in what circumstances to continue to contribute to any shared cost Additional Voluntary Contribution (SCAVC) arrangement that the employer had entered into before 1 April 2014.	Dame Alice Owen’s School will not exercise this discretion.
D22(7) & (8)	Whether to extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in England or Wales following the cessation of employment (or cessation of a concurrent employment) may elect not to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment) if the member has not made an election to retain separate benefits within 12 months of commencing membership of the LGPS in the new employment (or within 12 months of ceasing the concurrent membership).	Dame Alice Owen’s School will only extend the 12-month time limit in exceptional circumstances.
D21(4)(a)(iv), 21(4)(b)(iv) and 21(5)	Whether or not, when calculating assumed pensionable pay when a member is: <ul style="list-style-type: none"> <li>- on reduced contractual pay or no pay on due to sickness or injury, or</li> <li>- absent during ordinary maternity, paternity or adoption leave or during paid additional maternity, paternity or adoption leave, or</li> <li>- absent on reserve forces service leave, or</li> </ul>	Dame Alice Owen’s School will not exercise this discretion.

	<ul style="list-style-type: none"> <li>- retires with a Tier 1 or Tier 2 ill health pension, or</li> <li>- dies in service</li> </ul> <p>to include in the calculation the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred. A 'regular lump sum payment' is a payment for which the member's employer determines there is a reasonable expectation that such a payment would be paid on a regular basis.</p>	
E 5 (1)	Power to increase statutory redundancy payments above the statutory weekly pay limit.	Dame Alice Owen's School will not exercise this discretion.
E 6	Decision to award up to 104 weeks' compensation instead of compensatory added years.	Dame Alice Owen's School will not exercise this discretion.

**The following table applies in relation to discretions to be exercised on and after 1 April 2014 in relation to scheme members who ceased active membership before 1 April 1998**

F11(2)(c)	Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before age 65 on compassionate grounds.	Dame Alice Owen's School will not exercise this discretion.
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*Policy author: Jackie Campbell, Senior Finance Manager  
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