



Holy Trinity C of E Primary Academy

Vision Statement

At Holy Trinity CE Primary Academy, inspired by and rooted in Christian values and teaching, we nurture children to become aspirational, courageous, compassionate and joyful young people.

The values of our school: Courage, Joy, Aspiration and Compassion

POLICY DOCUMENT	The Local Government Pension Scheme Employer Discretion Policy (Adapted from Wiltshire Council and others templates)
Status	Required
Legislation	
Lead Member of Staff	The Headteacher
Lead Governor (Monitoring)	Chair of Premises and finance committee
Publication/Revision Date	Annual
Governor Committee	Premises and Finance sub-committee
Approval Date and by	March 2015
Review Frequency	Annual or as required
Date of next review	March 2017
Publication Date: Academy Website/ Staff information folder	
Chair of Governing Body signature	
Supporting documents	For more information on this policy and related guidance please contact the Academy Admin Team on: 01380 813796.

1 Background

- 1.1 In December 2011 the Secretary of State for Education and the Secretary of State for Communities and Local Government issued a joint letter to local authorities and LGPS Funds. This letter clarified Ministers' views of how academies should be treated within the scheme.
- 1.2 Their preferred approach is that where an academy wishes to be "pooled" with the local authority for LGPS pension purposes, rather than being treated as a standalone employer within the fund, the fund should positively consider this. This would mean the Academy continuing to pay the same employer contributions as maintained schools in the local area.
- 1.3 Academies are standalone employers, separate from the local education authority, and are therefore able to choose their own discretion policies, but are responsible for the costs of those policy decisions.
- 1.4 The LA required rate could increase significantly if they decide to outsource significant amounts of its service, which would directly impact on the academies' contribution rate despite the academy and the LA being separate organisations.
- 1.5 Similarly, if an academy, for example, gave higher pay increases than the LA then under a pool arrangement the LA would be primarily responsible for the additional pension costs.
- 1.6 Academies still need individually tracked positions in order to produce FRS17 pension disclosures in their annual accounts.
- 1.7 This position will continue to be reviewed as further guidance is due to be issued by the Government on how they propose any pooling arrangement would operate. Hopefully this will address a number of the issues or concerns currently unresolved by the proposal.

2 Scope

- 2.1 This policy will apply to all Holy Trinity CE Primary Academy employees who are members of the Local Government Pension Scheme. It does not apply to staff employed under Teacher terms and conditions of employment.
- 2.2 This policy provides clear guidance on how Holy Trinity CE Primary Academy will exercise these discretions. In doing so, the Academy has sought to provide fair and affordable benefits for its staff.

3 REGULATION - BMC12: Augmentation of membership of an active member (up to 10 years)

- Holy Trinity CE Primary Academy not normally exercise this discretion and will not normally augment pensions for staff leaving under redundancy, early retirement in the interests of efficiency or voluntary early retirement. The augmentation will only be granted in very exceptional circumstances and will be at the discretion of the full Governing Body. Any costs associated with the granting of the discretion will be met from the relevant Academy budget.

4 Whether to grant additional pension to a member (up to £5,000pa)

4.1 Holy Trinity CE Primary Academy will not exercise this discretion in addition or as an alternative to augmentation for staff leaving under redundancy, early retirement in the interests of efficiency or voluntary early retirement.

5 5.0BMC 18(1): Whether all or some benefits can be paid if an employee reduces hours/grade and continues to work ("flexible retirement")

- Where an employee seeks Holy Trinity CE Primary Academy consent to take flexible retirement, the Academy will assess the request on its merits, taking into account any capital costs of flexible retirement, and the individual circumstances.
- Where such a request is approved, the employee will be eligible to receive immediate payment of the pension and lump sum (if applicable), though these will be reduced. The amount of reduction to the pension and lump sum is determined by an actuarial calculation based on a formula determined by the Government Actuary's Department.
- Flexible retirement must be approved by the headteacher and the final agreement will rest with the Governing Body. Any costs associated with granting flexible retirement will be met from the relevant Academy budget.

6 6.0BMC (3): Waiving actuarial reduction on flexible retirement.

- Holy Trinity CE Primary Academy will not normally exercise this discretion. Where such a request is approved, the employee will be eligible to receive immediate payment of the pension and lump sum (if applicable), though these will be normally actuarially reduced.
- The amount of reduction to the pension and lump sum is determined by an actuarial calculation based on a formula determined by the Government Actuary's Department. The decision to waive the actuarial reduction will only be applied in exceptional circumstances, at the discretion of the Governing Body.
- Any costs associated with the granting of this discretion will be met from the relevant Academy budget.

7 BMC30 (2): Whether to allow early payment of benefits at/after age 50 (55 from 2010).

- Where an employee seeks Holy Trinity CE Primary Academy consent to take early retirement, the Academy will assess the request on its merits, taking into account any capital costs of early retirement, and the individual circumstances.
- Where such a request is approved, the employee will be eligible to receive immediate payment of the pension and lump sum (if applicable), though these will be reduced. The amount of reduction to the pension and lump sum is determined by an actuarial calculation based on a formula determined by the Government Actuary's Department.
- Early retirement must be approved by the headteacher and the final agreement will rest with the Governing Body. Any costs associated with granting early retirement will be met from the relevant departmental budget.

8 BMC30 (3): Waiving actuarial reduction on early retirement.

- In exceptional circumstances, the reduction to the pension and lump sum may be waived this will usually be on compassionate grounds. Holy Trinity CE Primary Academy will apply the definition “inclined to pity or mercy” to determine whether reduction in pension benefits is to be waived. The decision to waive the actuarial reduction will only be applied in exceptional circumstances, at the discretion of the headteacher and Governing Body. Any costs associated with the granting of this discretion will be met from the relevant Academy budget.

9 BMC30 (3) whether to grant an application for reinstatement of a suspended tier 3 ill health pensions on or after age 55 and before age 60

- Holy Trinity CE Primary Academy will not normally allow former employees to receive their pension early.
- Each request will be considered on an individual basis and Holy Trinity CE Primary Academy reserves the right to decline requests.
- Before allowing any employee to receive their pension early, Holy Trinity Primary Academy will obtain an estimate of any costs that will apply. The staffing sub-committee will be responsible for agreeing to any requests to draw a pension early taking into account factors such as any costs to Holy Trinity CE Primary Academy.

10 BMC30A (5): Whether to waive, on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits paid early to deferred benefit

- Holy Trinity CE Primary Academy will only waive the actuarial reduction of payment of a deferred member’s benefits in exceptional circumstances and as the result of the expressed permission of the Premises and Finance Sub-Committee after considering the costs that would apply and the individual member’s personal circumstances.

11 Admin 16(4)(b)(ii): Whether to extend 12-month period to combine previous LG service.

- Holy Trinity CE Primary Academy will not normally exercise this discretion.
- Holy Trinity CE Primary Academy will only allow an extension to the 12-month period to combine previous LG service where it can be reasonably shown that the member was not provided with the required information within 6 months of starting.
- Each request will be considered on an individual basis and Holy Trinity CE Primary Academy reserves the right to decline requests.

12 BMC 3 Determine rate of employees' contributions.

12.1 Holy Trinity CE Primary Academy will apply the following principles to allocate a member of staff to the correct contribution band:

- All active members of the Local Government Pension Scheme will be allocated to a contribution bands based on their full-time equivalent pensionable pay.
- The contribution band ranges will be assessed as at 1 April each year by the rise in the Retail Price Index.
- All active members of the Local Government Pension Scheme will be allocated to the relevant contribution band on 1 April each year or at the commencement of their employment with the Council.

12.2 Holy Trinity CE Primary Academy will reassess and adjust an individual employee's contribution band part-way during the financial year in the following instances: When there has been a contractual change during the year (e.g. promotion) requiring the salary to be adjusted. This will avoid underpayment of contributions by the Council and will prevent any potential claims of inequality from a new employee being appointed on the same pay but within a higher employee contribution band.

- Where a national pay award is applied mid-year, or backdated to 1 April.
- Where an employee has been placed in the wrong contribution band in error, which may result in a shortfall in contribution rates at subsequent evaluations.

13 Admin 22(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.

- Holy Trinity CE Primary Academy will only allow the extension of the period in cases where the member of staff was not notified of the right to pay conditions.

14 Admin 83(8): Whether to extend 12-month period to allow a transfer-in of non-LG pension rights.

- Holy Trinity CE Primary Academy will not exercise this discretion.
- Holy Trinity CE Primary Academy will only use its discretion in relation to requests to transfer-in previous Local Government, or broadly similar public sector pensions – (see section 9 above) only where it can be shown that the member was not provided with the required information within 6 months of starting.) .

15 Related Guidance and Policies

- Flexible Retirement,
- Early Retirement and Redundancy Payments Policy Local Provisions
- Local Government Pension Scheme Protocol for dealing with requests from members of staff wishing to transfer previous pensions into the Local Government Pension Scheme after the initial 12-month period has expired.

16 Legislation

- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007.
- The Local Government Pension Scheme (Administration) Regulations 2008
- The Local Government Pension Scheme Regulations 1995 and 1997 (as amended)
- The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 and 2006 (as amended)