



Local Government Pension Scheme Discretionary Policy

FINAL Version 1 September 2017

Date for Revision – 12 November 2018

Policy Statement

Under the rules of the Local Government Pension Scheme (“LGPS”) Peterborough Diocese Education Trust (the Trust) has the right to authorise discretion on a number of matters regarding the administration of the pension scheme.

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

The approach to exercising discretion in this policy is to allow the Trust 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.

This policy confers no contractual rights. The Trust retains the right to change this policy at any time without prior notice or consultation. Only the policy which is current at the time a relevant event occurs to a scheme member will be the one applied to that member.

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.

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

- the Local Government Pension Scheme Regulations 2013 [prefix R];
- the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [prefix TP];
- the Local Government Pension Scheme (Administration) Regulations 2008 [prefix A];
- the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [prefix B];
- the Local Government Pension Scheme Regulations 1995 [prefix D];
- the Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T];
- the Local Government Pension Scheme Regulations 1997 (as amended) [prefix L].

Discretions from 1.4.14. in relation to post 31.3.14. active members and post 31.3.14. leavers:

Regulation	Discretion	Policy Decision
Employee Contribution Rate		
R9 (1) & R9(3)	Determine rate of employees' contributions.	The Trust will allocate employees to the appropriate contribution rate according to pay band and review on an annual basis and where there is a material change.
Pensionable Pay		
R21(5A) & R21(5B)	Where in the Employer's opinion, the pensionable pay received in relation to an employment (adjusted to reflect any lump sum payments) in the 3 months (or 12 weeks if not paid monthly) preceding the commencement of Assumed Pensionable Pay (AP)), is materially lower than the level of pensionable pay the member would have normally received, decide whether to substitute a higher level of pensionable pay having had regard to the level of pensionable pay received by the member in the previous 12 months.	The Trust will not generally exercise this discretion but will consider each application in this regard on a case by case basis.
Deferred Benefits		
TP10(6)	Whether to extend the 12 month option period for a member (who did not become a member of the 2014 Scheme by virtue of TP5(1)) to elect that pre 1 April 2014 deferred benefits should be aggregated with a new employment.	The Trust does not have a general policy of extending time in these circumstances but may do so in exceptional circumstances or where there is a sound business case for doing so.
Shared Cost APCs		
R16(2)(e) & R16(4)(d)	Whether, where an active Scheme member wishes to purchase extra annual pension of up	The Trust does not intend to have a general policy of contributing to a shared cost APC scheme.

	to £6,822 (figure at 1 April 2018) by making Additional Pension Contributions (APCs), to (voluntarily) contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC)	
R16(16)	Whether to extend 30 day deadline for member to elect for a shared cost APC upon return from a period of absence from work with permission with no pensionable pay (otherwise that because of illness or injury, relevant child-related leave or reserve forces leave).	The Trust does not and does not intend to have a general policy of contributing to a shared cost APC scheme nor shall it have a general policy of exercising this discretion.
Shared Cost AVCs		
R17(1) & definition of SCAVC in RSch 1	Whether, how much, and in what circumstances to contribute to shared cost AVC arrangements.	The Trust does not and does not intend to have a general policy of contributing to a shared cost AVC scheme.

Flexible Retirement		
R30(6) & TP11(2)	Whether all or some benefits can be paid if an active member aged 55 or over and with at least 2 years qualifying service reduces their hours or grade (flexible retirement)	The Trust will not generally exercise this discretion but will consider each application in this regard on a case by case basis.
R30(8)	Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.	The Trust will not generally exercise this discretion but will consider each application in this regard on a case by case basis.
85 Year Rule		
TPSch 2, para 1(2) & 1(1)C) & R60	Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (other than on the grounds of flexible retirement).	The Trust will not generally exercise this discretion but will consider each application in this regard on a case by case basis.
Waive Reduction		
TP3(1), TPsch 2, para 2(1), B30(5) and B30A(5)*	Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1/4/14 and post 31/3/14 membership): a) on compassionate grounds (pre 1/4/14 membership) and in whole or in part on any grounds (post 31/3/14 membership) if the member was not in the Scheme before 1/10/06, b) on compassionate grounds (pre 1/4/14 membership) and in whole or in part on any grounds (post 31/3/14 membership) if the member was in the Scheme before 1/10/06, will not be 60 by 31/3/16 and will not attain 60 between 1/4/16 and 31/3/20,	The Trust will not generally exercise this discretion but will consider each application in this regard on a case by case basis.

	<p>c) on compassionate grounds (pre 1/4/16 membership) and in whole or in part on any grounds (post 31/3/16 membership) if the member was in the Scheme before 1/10/06 and will be 60 by 31/3/16,</p> <p>d) on compassionate grounds (pre 1/4/20 membership) and in whole or in part on any grounds (post 31/3/20 membership) if the member was in the Scheme before 1/10/06, will not be 60 by 31/3/16 and will attain 60 between 1/4/16 and 31/3/20.</p>	
R30(8)	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member only has post 31/3/14 membership).	The Trust will not generally exercise this discretion but will consider each application in this regard on a case by case basis.
Joining LGPS Membership		
R22(8)(b)	Whether to extend the 12 month option period for a member to elect that post 31 March 2014 deferred benefits should not be aggregated with a new employment.	The Trust does not have a general policy of extending time in these circumstances but may do so in exceptional circumstances or where there is a sound business case for doing so.
R22(7)(b)	Whether to extend the 12 month option period for a member to elect that post 31 March 2014 deferred benefits should not be aggregated with an ongoing concurrent employment.	The Trust does not have a general policy of extending time in these circumstances but may do so in exceptional circumstances or where there is a sound business case for doing so.

Granting Additional Pension		
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 £6,822 p.a.).	The Trust will not generally exercise this discretion but will consider each application in this regard on a case by case basis.
Transferring in non LGPS pension rights		
R100(6)	Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.	The Trust does not have a general policy of extending time in these circumstances but may do so in exceptional circumstances or where there is a sound business case for doing so.

Discretions in relation to scheme members who ceased active membership on or after 1.4.08. and before 1.4.14:

Waive Reduction		
B30(5) TPSch 2,para 2(1) & B30A(5)	Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 and B30A	The Trust will not generally exercise this discretion but will consider each application in this regard on a case by case basis.

Discretions under the Local Government Pension Scheme Regulations 1997 (as amended) in relation to scheme members who ceased active membership on or after 1.4.98. and before 1.4.08.

Employer Consent Retirement		
L31(2)	Grant an application for early payment of deferred benefits on or after age 50 and before age 55.	The Trust will not generally exercise this discretion but will consider each application in this regard on a case by case basis.
Waive Reduction		
L31(5)	Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early.	The Trust will not generally exercise this discretion but will consider each application in this regard on a case by case basis.

Employer Consent at NRD for Optant		
L31(7A)	Optants out only to get benefits paid from Normal Retirement Date if employer agrees.	The Trust will not generally exercise this discretion but will consider each application in this regard on a case by case basis
<p>Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. Also, any part of the benefits which had accrued after 5 April 2006 would generate a scheme sanction charge.</p>		
85 Year Rule		
TPSch 2,para 1(2) & 1(1)(f) & R60	Whether to switch on the 85 year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60. Note: TPsSch2, para 2(2) does not reference para 1(1)(f) so there is strictly speaking no requirement to publish a policy under this regulation or R60. LGSS recognises this is a regulatory omission and the employer should publish a policy accordingly	The Trust will not generally exercise this discretion but will consider each application in this regard on a case by case basis.

Discretions under the Local Government Pension Scheme Regulations 1995 (as amended) in relation to scheme members who ceased active membership before 1.4.98.

Employer Consent Retirement		
D11(2)(c)	Grant an application for early payment of deferred benefits on or after age 50 on compassionate grounds. Note: although the common provisions of the 1997 Transitional provisions regulations do not specify regulation D11(2)(c), their intention was that it should apply to this regulation	The Trust will not generally exercise this discretion but will consider each application in this regard on a case by case basis.
Note: benefits paid on or after age 50 and before age 55 are subject to an unauthorised payments charge and, where applicable, an unauthorised payments surcharge under the Finance Act 2006. However, as the benefits had accrued prior to 6 April 2006, they would not generate a scheme sanction charge.		

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

Redundancy Pay on Actual Weeks Pay		
5	To base redundancy payments on an actual weeks pay where this exceeds the statutory weeks pay limit.	The Trust does not have a general policy of exercising this discretion but may do so in exceptional circumstances or where there is a sound business case for doing so.
Lump Sum Compensation		
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.	The Trust does not have a general policy of exercising this discretion but may do so in exceptional circumstances or where there is a sound business case for doing so.

Discretions under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended)

Abatement during re-employment		
17	Whether 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.	The Trust will consider each case individually and on its merits.
Reduction following cessation of re-employment		
19	How to reduce the member's annual compensatory added years payment following the cessation of a period of reemployment in local government.	The Trust will consider each case individually and on its merits.
Apportionment of survivor benefit		
21(4)	How to apportion any surviving spouse's or civil partner's annual compensatory added years payment where the deceased person is survived by more than one spouse or civil partner.	The Trust will consider each case individually and on the available information.
Effects of remarriage, new civil partnership or co-habitation on survivor's compensation payments		
21(7)	Whether, in respect of the spouse of a person who ceased employment before 1 April 1998 and where the spouse 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 partner's annual	The Trust will consider each case individually and on the available information.

	compensatory added years payments should continue to be paid.	
21(5)	If, under the preceding decision, the authority's policy is to apply the normal suspension rules, whether the spouse's or civil partner's annual compensatory added years payment should be reinstated after the end of the remarriage, new civil partnership or cohabitation.	The Trust will consider each case individually and on its merits.

Discretions under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011

Under Regulation 14 of the Injury Allowances Regulations, 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 in respect of leavers, deaths and reductions in pay that occurred post 15 January 2012.

Injury Allowances		
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.	The Trust will consider each case individually and on its merits.
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.	The Trust will consider each case individually and on the information available.

3(2)	Determine whether person continues to be entitled to an injury allowance awarded under regulation 3(1). (reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job).	The Trust will consider each case individually and on its merits.
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.	The Trust will consider each case individually and on its merits.
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.	The Trust will consider each case individually and on the information available.
4(2)	Determine whether person continues to be entitled to an injury allowance awarded under regulation 4(1) (loss of employment through permanent incapacity).	The Trust will consider each case individually and on its merits.
4(5)	Whether to suspend or discontinue injury allowance awarded under regulation 4(1) (loss of employment through permanent incapacity) if person secures paid employment for not less than 30 hours per week for a period of not less than 12 months.	The Trust will consider each case individually and on its merits.
6(1)	Whether to grant an injury allowance following cessation of employment with	The Trust will consider each case individually and on its merits.

	entitlement to immediate LGPS pension where a regulation 3 payment (reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job) was being made at date of cessation of employment but regulation 4 (loss of employment through permanent incapacity) does not apply.	
6(1)	Determine amount of any injury allowance to be paid under regulation 6(1) (payment of injury allowance following the cessation of employment)	The Trust will consider each case individually and on the information available.
6(2)	Determine whether and when to cease payment of an injury allowance payable under regulation 6(1) (payment of injury allowance following the cessation of employment)	The Trust will consider each case individually and on its merits.
7(1)	Whether to grant an injury allowance to the spouse, civil partner, 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." The requirement to nominate a cohabiting partner has ceased entirely under these regulations due to the outcome of Elmes v Essex CC high court judgement	The Trust will consider each case individually and on its merits.
7(2) and 8	Determine amount of any injury allowance to be paid to the spouse, civil partner, nominated co-habiting partner (for awards made on or after 1 April 2008 the	The Trust will consider each case individually and on the information available.

	<p>requirement to nominate a cohabiting partner has ceased due to the outcome of Elmes v Essex CC high court judgement) or dependent under regulation 7(1) (employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.</p>	
7(3)	<p>Determine whether and when to cease payment of an injury allowance payable under regulation 7(1) (employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.</p>	<p>The Trust will consider each case individually and on its merits.</p>