



BORDESLEY MULTI ACADEMY TRUST

T1-19 LGPS Discretionary Policy Statement

Tier 1 – Bordesley MAT Central Policy
Approved by the Trust on 27/04/2021

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1. Bordesley Multi Academy Trust Mission Statement

We believe that success is achieved by working in partnership with parents, carers and the wider community. We are committed to working with our partners to ensure the very best outcomes for all our learners, from 3 to 19.

The significant guiding principles of the MAT are based around autonomy, trust, respect, equity and outstanding relationships. We believe that positive and constructive relationships are at the heart of every successful school. This allows the entire community to be valued and challenged to be their best, raising aspirations for all.

2. Discretions

The Local Government Pension Scheme (LGPS) Regulations 2013 (as amended) require each employing authority to formulate, publish and keep under review a policy statement in relation to the exercise of a number of discretions under the LGPS. The Regulations stipulate this requirement in four areas, namely:

- Voluntary funding of additional pension via a Shared Cost Additional Pension Contribution (SCAPC) contract, either by regular ongoing contribution or one-off lump sum;
- Flexible retirement;
- Waiving all or part of any actuarial reduction; and
- Award of additional pension (at whole cost to the employer).

The LGPS (Transitional Provisions and Savings) Regulations 2014 also require that employers have a policy on whether to agree to apply the 85-year rule to a scheme member wishing to voluntarily draw benefits on or after 55 and before age 60.

This Statement also includes three discretions which the employing authority must make under the LGPS Regulations; although there is no statutory requirement to publish them, they are included for information.

This Statement is applicable to all employees of Bordesley Multi Academy Trust (the Trust) who are eligible to be members of the LGPS. The Trust will consider each request on its merits and in accordance to the considerations described for each Regulation.

2.1 Regulation 31: Award of Additional Pension

(1) A Scheme employer may resolve to award:

- (a) an active member, or
- (b) a member who was an active member who was 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 payable from the same date as any pension payable under other provisions of these Regulations from the pension account to which the additional pension is attached, provided that, in the case of a member falling within sub-paragraph (b), the resolution to award additional pension is made within 6 months of the date the member's employment ended.

(2) The additional pension limit is £6,500 from 1st April 2014 and that figure is increased on 1st April 2015, and each subsequent 1st April, by the amount (where it is greater than zero) by which it would be increased if it were a pension beginning on 1st April 2013 to which the Pensions (Increase) Act 1971 (a) applied.

Bordesley Multi Academy Trust will not normally grant the benefit contained within this regulation, other than in exceptional cases (e.g. compassionate or financial hardship grounds) where the financial implications can be justified.

Application of policy: Delegated to the relevant Trustee Committee/s in consultation with the Chief Executive Officer, and the Trust's appointed Human Resources Advisor.

2.2 Regulation 16(2)e and Regulation 16(4)d: Additional Pension Contributions

A Scheme Employer may resolve to make either a regular or lump sum Additional Pension Contribution (APC) to a member's account (part or whole funding this)

[Note: this discretion only relates to cases when the member is working as normal rather than absent from work with permission but no pensionable pay – in the latter scenario, employers must fund it if necessary.]

Bordesley Multi Academy Trust will not normally grant the benefit contained within this regulation, other than in exceptional cases (e.g. compassionate or financial hardship grounds) where the financial implications can be justified.

Application of policy: Delegated to the relevant Trustee Committee/s in consultation with the Chief Executive Officer, and the Trust's appointed Human Resources Advisor.

2.3 Regulation 30(6): Retirement Benefits (flexible retirement)

An active member who has attained the age of 55 or over who reduces working hours or grade of an employment may, with the Scheme employer's consent, elect to receive immediate payment of all or part of the retirement pension to which that member would be entitled in respect of that employment if that member were not 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.

The Trust, when exercising its right to agree an employee's flexible retirement, will take account of:

- There is no significant detrimental effect on service delivery.
- The flexible working arrangement is fair and equitable to all employees in the team.
- The reduction in hours is significant (normally a minimum reduction of 20% of current hours) or the employee is moving to a lower graded post.

The MAT will also consider and take account of any compassionate grounds.

The MAT will not grant the benefit to waive any actuarial reduction as a result of the employee's flexible retirement, other than in exceptional circumstances.

Application of policy: Delegated to the relevant Trustee Committee/s in consultation with the Chief Executive Officer, and the Trust's appointed Human Resources Advisor.

2.4 Regulation 30(8): Retirement Benefits (waiving actuarial reduction)

A Scheme employer, former employer which is a Scheme employer, or, where a member's employer or former employer has ceased to be a Scheme employer, the appropriate administering authority, may agree to waive in whole or in part any reduction that would, apart from this paragraph, be required by paragraphs (5) or (6).

Bordesley Multi Academy Trust will not normally grant the benefit contained within this regulation, other than in exceptional cases (e.g. compassionate or financial hardship grounds) where the financial implications can be justified.

Application of policy: Delegated to the relevant Trustee Committee/s in consultation with the Chief Executive Officer, and the Trust's appointed Human Resources Advisor.

2.5 Regulation 1(1)c of Schedule 2 (LGPS (Transitional Provisions and Savings) Regulations 2014)

A Scheme Employer can allow the rule of 85 to be "switched on" for members who would normally meet the rule but who will not if they draw the benefits age 55-59

Bordesley Multi Academy Trust will not normally grant the benefit contained within this regulation, other than in exceptional cases (e.g. compassionate or financial hardship grounds) where the financial implications can be justified.

Application of policy: Delegated to the relevant Trustee Committee/s in consultation with the Chief Executive Officer, and the Trust's appointed Human Resources Advisor.

3. SUPPLEMENTARY DISCRETIONS UNDER THE LGPS REGULATIONS 2013

3.1 Regulation 22(8 & 9): Pension Accounts

Bordesley Multi Academy Trust will only grant an extension to the 12-month period to separate previous local government service contained within this regulation, where:

a) the available evidence indicates the member made an election within 12 months of joining the LGPS but the election was not received by the Pension Fund administering authority.

c) where the available evidence indicates the member had not been informed of the 12 month time limit.

3.2 Regulation 9(3): Contributions

Bordesley Multi Academy Trust will only review all employees contribution band as at 1 April each year. Hence, when a member salary or hours change (either temporarily or permanently) during the year, the member will remain on the same employee contribution rate until the following April.

3.3 Regulation 100(6): Inward Transfers of Pension Rights

Bordesley Multi Academy Trust will only consider an extension to the 12 month period to combine previous non local government service where:

a) the member has requested for transfer investigations to be commenced within 12 months of joining the LGPS but a quotation of what the transfer value will purchase in the LGPS has not been provided to the member within 11 months of joining the LGPS. The time limit for such a member to make a formal election to transfer pension rights into the LGPS may be extended by one month beyond the date of the

letter issued by the Pension Fund administering authority notifying the Scheme member of the benefits the transfer will buy in the LGPS.

b) the available evidence indicates the member made an election within 12 months of joining the LGPS but the election was not received by the Pension Fund administering authority.

c) where the available evidence indicates the member had not been informed of the 12 month time limit.

4. SPECIAL PROVISIONS FOR DEFERRED MEMBERS WHO LEFT BEFORE 31 MARCH 2014

Early Payment of Benefits

Deferred members who left the scheme before 31 March 2014 will be governed by the LGPS Regulations 2007 and Worcestershire County Council's Discretionary Policy Statement agreed April 2012 regarding Regulation 30:

4.1 Regulation 30 (choice of early payment of pension)

- (1) If a member leaves a Local Government employment before s/he is entitled to the immediate payment of retirement benefits (apart from this regulation), once s/he has attained the age of 55 s/he may choose to receive payment of them immediately.*
- (2) A choice made by a member of less than 60 is ineffective without the consent of his employing authority or former employing authority.*
- (3) If the member so chooses, s/he is entitled to a pension payable immediately.*
- (4) Her/his pension must be reduced by the amounts shown as appropriate in guidance issued by the Government Actuary.*
- (5) A member's employing authority may determine on compassionate grounds that her/his retirement pension should not be reduced under the above.*

Bordesley Multi Academy Trust will not normally grant the benefit contained within this regulation, other than in exceptional cases (e.g. compassionate or financial hardship grounds) where the financial implications can be justified.

Application of policy: Delegated to the relevant Trustee Committee/s in consultation with the Chief Executive Officer, and the Trust's appointed Human Resources Advisor.