



Local Government Pension Scheme (LGPS) Employer Discretions Policy 2023

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Adopted by (body): Chair of Staffing & Remuneration Committee

WELLBEING POLICY
DEVELOPMENT
STRATEGY HUMAN PEOPLE
RESOURCES
CHANGE MANAGEMENT
SUCCESSION PLANNING
CONFIDENTIALITY

Collaborate Ability to work effectively as a team

Empower Ability to take initiative and problem solve in order to improve performance

Lead To lead by example and achieve shared goals

Transformation Ability to recognise a need for change and adapt accordingly



CELT Vision

Our vision is for our trust to be a learning organisation in the truest sense.

At the heart of our vision for education is a self-improving school-led system which has the best evidence-led practice and in which every child fulfils their potential. This is a learning community in which:

- Our leaders are driven by moral purpose. They are outwards focused and not afraid to take risks to achieve system transformation. The focus of policy is on continually improving the quality of teaching.
- Our teachers strive to be outstanding. They work across organisational boundaries to promote a collective sharing of knowledge, skills, expertise and experience in order to deepen pupil learning.
- The individual talents and strengths of our pupils are recognised and nurtured. A passion and curiosity for learning is sustained in every child from the moment they join us. A CELT pupil leaves our family of academies with a purpose, and the confidence to fulfil that purpose.
- Our parents are engaged in our learning community and actively work in partnership with us to raise the level of attainment and aspiration of every child.

CELT Mission

“Learning together to help every child achieve more.”

We believe there is no limit to what every child can achieve, and that every child deserves the chance to fulfil their potential.

As a learning community we are on an ambitious journey. We want to deliver a model for education in the 21st century which instils curiosity and a love for learning in every child so that they develop into young adults who contribute to humanity, follow their passions, and think for themselves.

By learning and improving together – as part of a global learning community – we create much richer and more sustainable opportunities for rigorous transformation than can be provided by any one of our academies alone.

COLLABORATE
EMPOWER
LEAD
TRANSFORM

Should you require further information, please contact
The Governance Officer.
Cornwall Education Learning Trust (CELT), Atlantic Centre,
Trenance Leisure Park, Newquay, Cornwall TR7 2LZ

Telephone: 01637 800293
www.celtrust.org

Email: ccarter@gov.celtrust.org

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Overview

The Local Government Pension Scheme (“LGPS”) in England and Wales was amended with effect from 1 April 2014. The provisions of the amended LGPS are now contained in the 2013 Regulations and the 2014 Regulations. This policy statement relates to the exercise of the employer discretions contained in the above Regulations.

General Principles to be Adopted in Exercising Discretions

Cornwall Education Learning Trust, in formulating the policy statements outlined below, has sought to ensure that its discretionary powers will be exercised reasonably. The discretionary powers;

- will be exercised in the public interest;
- will not be used for an ulterior motive;
- will be used with regard to all relevant factors (costs to the Academy Trust will be balanced against benefit for the Academy Trust);
- will only be used where there is a real and substantial benefit to the Academy Trust in return for incurring extra costs;
- will only be used having considered the views of the scheme Actuary; and
- will be duly recorded when used.

The Academy Trust will also consider the views of the pensions administering authority (currently the Local Government Pension Scheme or LGPS).

In support of its deliberations regarding requests made on compassionate grounds, the Academy Trust will take into account all relevant factors and require whatever information, documentation and supporting evidence it considers appropriate.

The employer discretionary powers will be exercised having regard to the extent to which the exercise of any policy discretion would lead to a serious loss of confidence in the public service.

The policy statements do not limit or restrict how the Academy Trust exercises any of the discretions afforded by the pension scheme.

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The Discretions

The following discretions apply to members who were actively paying into the Cornwall Pension Fund scheme as at 1st April 2014 onwards:

A. Shared Cost Additional Voluntary Contributions (AVC) (Regulation 17)

An Additional Voluntary Contribution (AVC) schemes gives individuals the ability to pay extra contributions (which receive tax relief) in order to receive additional pension and cash at retirement. The total paid into AVC cannot exceed 100% of monthly pay. Cornwall Pension Fund currently has arrangements with Standard Life.

This discretion allows employers to pay into an AVC on behalf of an individual.

The Trust will not contribute to an employee's AVC.

B. Early payment of Retirement Benefits – Waiving Actuarial Reduction (Regulation 30 (8))

Employers have the power to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members benefits paid on the grounds of flexible retirement.

Employers may also waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to member's benefits for deferred members and suspended tier 3 ill health pensioners who elect to draw benefits on or after age 60 and before normal pension age.

Employers also have the power to waive, in whole or in part, the actuarial reduction applied to active members benefits when a member chooses to voluntarily draw benefits on or after age 55 and before age 60.

As a general rule the Academy Trust's policy is not to exercise these discretions but it will consider individual cases on their merits having regard to the compassionate grounds of individual members and having regard to the cost to the Academy Trust.

Employees can retire from age 55 and receive immediate payment of their pension benefits providing they have at least two years' membership of the LGPS. Whilst the default position is that the pension benefits payable will be subject to an actuarial reduction, the Trust may elect to waive any actuarial reduction for early retirement where a financial saving can be achieved within two years and there is a benefit to the Trust, or in accordance with item D below (early retirement on compassionate grounds).

The Staffing and Remuneration Committee is authorised to exercise the discretion subject to consultation with the Trust Lead and the Chair of the Audit and Finance Committee.

C(a). Early Payment of Retirement Benefits between aged 55 and 60 – Transitional Provisions Regulations

C(b). Schedule 2, paragraphs 1(1)(c), 2(2) and 2(3) of the 2014 Regulations – Power of employing authority to ‘switch on’ the 85 year rule

C(a)

Employees no longer require the consent of their employer to retire between the age of 55 and 60.

It is likely that for some retirements between these ages there would be a cost to the employer, as some employees would qualify for unreduced benefits under the 85 Year Rule. This is where their age and length of service totals 85.

As the decision now rests entirely with the employee, the LGPS 2014 Regulations automatically provide for the 85 Year Rule to be “switched off” resulting in a reduction to ALL of an employee’s benefits.

There is however a discretion that would allow the employer to “switch on” the 85 Year Rule thereby eliminating or reducing any reduction to an employee’s benefits.

C(b)

An employer can choose whether to ‘switch on’ the 85 year rule for members who voluntarily retire on or after age 55 and before age 60.

An employer can also choose to waive, on compassionate grounds, the actuarial reduction applied to benefits for a member voluntarily drawing benefits on or after age 55 and before age 60.

The Academy Trust’s policy is not to switch on the 85 year rule or, as a general rule, to exercise the discretion to waive on compassionate grounds the actuarial reduction but the Academy Trust will consider individual cases on their merits and having regard to the cost to the Academy Trust.

The Trust will not ‘switch on’ the 85 Year Rule for early retirement unless a financial saving can be achieved within two years and there is a benefit to the Trust.

D. Early Retirement on Compassionate Grounds (Regulation 30 (5))

This allows early payment of benefits on compassionate grounds. The considerations that could be considered include such things as extreme financial hardship, the need to give up work in order to provide constant care for an immediate family member, ability of other family members to assist, future life expectancy of sick relative, assistance from the NHS or social services and the possible receipt of State Benefits.

This discretion mainly relates to any employee that either left employment or opted out of the LGPS prior to April 2014 and is entitled to preserved benefits. It can however also be applied to the "Early Payment of Retirement Benefits – Waiving Actuarial Reduction" Regulation, where it would apply to current employees.

If the early payment was based on compassionate grounds, then the employer may waive any actuarial reduction that would otherwise apply.

The Trust may permit early retirement on compassionate grounds in exceptional circumstances. These circumstances might include extreme financial hardship or the need to give up work in order to provide constant care for an immediate family member.

The Staffing and Remuneration Committee is authorised to exercise the discretion subject to consultation with the Trust Lead and the Chair of the Audit and Finance Committee.

E. Flexible Retirement (Regulation 30 (6))

Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while continuing in employment. This is subject to the employer agreeing to the member either reducing their hours or moving to a position on a lower grade.

In such cases, pension benefits will be reduced in accordance with actuarial tables, unless the employer waives reduction on compassionate grounds, or a member has protected rights.

When exercising its discretion in relation to flexible retirement, the Academy Trust will look at its operating requirements; have regard to pension fund members' individual circumstances and the impact on services of granting flexible retirement together with the cost to the Academy Trust.

As a rule, the Academy Trust will only grant flexible retirement to members where there is, in the opinion of the Academy Trust, a financial or operational benefit to the Academy Trust in granting the member's request for flexible retirement.

As a rule, the Academy Trust's policy is not to exercise this discretion but will consider individual cases on their merits having regard to the cost to the Academy Trust.

Any application by a scheme member must be supported by a business case in writing.

The Academy Trust will not as a general rule exercise its discretion to waive any actuarial reduction in benefits although each case will be considered on its merits (see further below).

Employees may elect to receive all or just part of their accrued benefits whilst continuing in employment. This option is however somewhat limited because the only benefits that can be taken in part relate to just those earned from April 2008 onwards. All benefits earned prior to this date must be taken.

F. Power of employing authority to grant additional pension (Regulation 31)

An employer can choose to grant additional pension to an active member or to a member within 6 months of ceasing to be an active member by reason of redundancy or business efficiency by up to £8131* per annum.

(*the figure of £8131 will be increased each April under Pensions Increase Orders)

As a general rule the Academy Trust's policy is not to exercise this discretion, but it will consider individual cases on their merits and having regard to the cost to the Academy Trust.

An application for additional pension must be supported by a business case in writing.

The Trust will not purchase additional pension for an employee except when it is essential to do so in order to facilitate a tangible and specific organisational benefit.

The Staffing and Remuneration Committee is authorised to exercise the discretion subject to consultation with the Trust Lead and the Chair of the Audit and Finance Committee.

G. Transfer of Service into the LGPS (Regulation 100)

Employees joining the LGPS have an initial period of 12 months in which to request to investigate the option of transferring any pension benefits from previous employment into the Cornwall Pension Fund. In exchange for a transfer payment the employee is awarded an additional amount of pension.

The Employer and also the Administering Authority has discretion to extend this 12-month time limit.

The Trust may extend the 12-month time limit for allowing active members to transfer benefits from previous pensionable employment into the Cornwall Pension Fund where it is determined that maladministration has occurred as a result of affected employees not having been given any or sufficient details about the pension scheme or transfer option.

H. Shared cost additional pension contributions (Regulation 16(6))

Following a period of authorised unpaid leave, an employee can elect within 30 days of returning to work to pay a shared cost additional pension contribution (SCAPC) to cover the amount of pension 'lost' during that period of absence.

The SCAPC is calculated in accordance with the employee's age, sex and rate of pay. The Scheme employer must contribute 2/3rds of the cost to a SCAPC.

If the absence is un-authorised, e.g. due to a strike, then the SCAPC would not apply and the employee must pay the full cost of the additional pension.

Any extra annual pension granted by the Scheme employer under a SCAPC arrangement would be subject to an actuarial reduction for early payment where, other than in a case of ill health retirement, that extra pension is drawn before the member's Normal Pension Age.

The employer has discretion to extend the SCAPC 30-day time limit.

The Trust will not extend the 30-day deadline for a member to elect for a SCAPC upon return from a period of absence from work with no pensionable pay.

I. Shared Cost Additional Pension Scheme (Regulation 16(2)(e) and 16(4)(d))

An employer can choose to pay for or contribute towards a member's Additional Pension Contract via a Shared Cost Additional Pension Contract (SCAPC).

As a general rule the Academy Trust's policy is not to exercise this discretion but the Academy Trust will consider individual cases on their merits having regard to the cost to the Academy Trust.

Any application must be supported by a business case in writing. To buy extra pension the member should first obtain a quote from www.lgpsmember.org or from their administering authority.

This option is not available to those in the 50/50 section.

A copy of this document is being published on the Academy Trust's website and is being sent to Cornwall Pension Fund as the appropriate pensions administering authority. In preparing this policy statement we have had regard to the extent to which the exercise of the functions mentioned in this policy could lead to a serious loss of confidence in the public service. We are satisfied that our adopted policies would not lead to any such loss of confidence and that the policy individually and generally is workable, affordable and reasonable having regard to foreseeable costs.

All personal data collected, processed and stored under the provisions of this policy will be in accordance with our data protection policy, our Workforce Privacy Notice, our Retention and Destruction Policy and in line with the requirements of the Data Protection Legislation (being (i) the General Data Protection Regulation ((EU) 2016/679) (unless and until the GDPR is no longer directly applicable in the UK) and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK and then (ii) any successor legislation to the GDPR or the Data Protection Act 1998, including the Data Protection Act 2018).

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Complaints

If a member, prospective member or dependant of a member or prospective member is dissatisfied with any decision made by the employer under this policy they (or their representative) have the right to have their complaint independently reviewed under the Internal Dispute Resolution Procedure (IDRP) by their employer or former employer. This is a two-stage process: Stage 1 – Formal Complaint; and Stage 2 – Further Appeal. Any complaint should be made in writing to the Stage 1 IRDP contact: Clare Ridehalgh, Deputy Trust Lead, using the form at Appendix 1.

Further information regarding the IDRP (and who to contact if your complaint is about the Cornwall Pension Fund), can be found at: <https://www.cornwall.gov.uk/jobs-and-careers/cornwall-pension-fund/active-members/what-if-i-have-a-complaint/>.

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Policy Review

This policy will be kept under review. It will be reviewed at least every 2 years or earlier where the relevant regulations are amended. Any subsequent change in this policy statement will be notified to affected employees and to West Midlands Pension Fund and will be published on the Academy Trust's website before the end of the month that any such revisions are made in.

LGPS Stage 1 Complaint Form

1 ABOUT THE COMPLAINT *please fill in this part in all cases*


Who is the complaint against?

The complaint is against: **Cornwall Education Learning Trust**

2 DETAILS OF PERSON MAKING COMPLAINT *please fill in this part in all cases*

Title:	Surname:	Address:
Other names:		
National Insurance no:		
Date of birth:		
Payroll reference number:		
		Postcode:

Are you a ...	Cornwall Pension Fund member <input type="checkbox"/>	Prospective member <input type="checkbox"/>	Pensioner <input type="checkbox"/>	Deferred member <input type="checkbox"/>	Dependant <input type="checkbox"/>
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Please give details of the member you are a dependant of ...		 <p>Dependants Only <i>Please fill in this section</i></p>
Their full name:		
Their address:	Their National Insurance no:	
	Their date of birth:	
	Their employer:	
Postcode:	Your relationship:	

3 USING A REPRESENTATIVE *please fill in this part in all cases*

Is a representative making this complaint on behalf of the person named above?

NO → Go to SECTION 4 YES → The representative should fill in their details below...

Representative's details		
Title:	Surname:	Address:
Other names:		
Your relationship to person making complaint, e.g. Friend:		
		Postcode:

4

DETAILS OF COMPLAINT

please give the full details of the complaint in this section

- Please give the full details of the complaint, including any dates which you think are relevant
- If you run out of space, please attach a separate sheet marked with name and National Insurance number
- Please include a copy of any written notification of a decision you have received

Appendix ONE

5

SIGNATURE

please fill in this part in all cases

This section must be signed **IN ALL CASES** by either:

- The person making the complaint where there isn't a representative, or
- The representative where there is one

Signed:	Date:
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6

ILL HEALTH CONSENT

This section only needs to be completed if your complaint relates to the early release of pension on ill health grounds:

I give consent for my employer and administering authority to access my personal and medical records in order for my complaint to be considered and a decision to be made about it.

Signed:	Date:
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WHAT TO DO NEXT

IMPORTANT | Please keep a copy of the completed form for your own records, then send it to:

For complaints against your employer/former employer (Cornwall Education Learning Trust), please send your form to:

Clare Ridehalgh
Deputy Trust Lead
Cornwall Education Learning Trust
Atlantic Centre
Trenance Leisure Park
Newquay
Cornwall
TR7 2LZ

For complaints against Cornwall Pension Fund, please send your form to:

Assurance Service Director
Cornwall Council
4th Floor North Wing
County Hall
Truro
Cornwall
TR1 3AY

History of Changes

Version	Date	Page	Change	Origin of Change
1.0	01.12.2023		Original Draft	