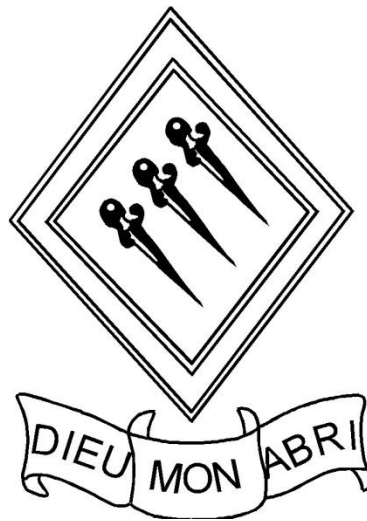


ST BERNARD'S HIGH SCHOOL
A Catholic Academy for Arts & Science



**LOCAL GOVERNMENT PENSION SCHEME
2014 DISCRETIONS POLICY**

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Chair of Governors

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THE RECRUITMENT PROCEDURE

Mission Statement

St. Bernard's is a school community which aims to live by Jesus' commandment "Love one another as I have loved you".

We are a Catholic learning community committed to the ongoing development of the entire potential of every person, achieved through a broad, balanced and relevant curriculum.

We care for each other as individuals of equal worth, regardless of status, sex, race or religion and thus actively seek to promote safeguarding, justice and fairness.

We provide an atmosphere in which we can grow in our Faith, and encourage this faith by a lively and relevant liturgy.

We work with parents, parishes, local communities and industry to prepare our students for the opportunities of adulthood.

1. Introduction

This document sets out the Local Government Pension Scheme (LGPS) 2014 Discretions Policy Statement.

2. Policy Statement

Under the LGPS Regulations 2013, effective from 1 April 2014, all employers participating in the LGPS are required to prepare and publish a written statement on how it will exercise the various discretions provided by the LGPS 2014, LGPS 2008, LGPS and the Compensation and Injury Allowances Regulations.

This document includes discretionary policies for as required by the following Regulations:

- Regulation 60, LGPS Regulations 2013
- Regulation 66, LGPS (Administration) Regulations 2008
- Regulation 106 LGPS Regulations 1997 (for pre 1 April 2008 leavers and/or councillor members as applicable)
- Regulation D11 (2) (c) LGPS Regulations 1995 (as amended in relation to pre 1 April 1998 Leavers)

3. Exceptional Compassionate Grounds

Financial hardship alone is not deemed sufficient grounds to apply the discretion for early release of pension benefit. For the purposes of this Policy, exceptional compassionate grounds are where an ex-member of the pension scheme has had to give up paid employment to be the sole carer for a severely disabled or seriously ill dependent, and where reasonable additional support is not available.

4. Employer Discretions – Local Government Pension Scheme Regulations 2013

Whether, how much, and in what circumstances to contribute to a shared cost APC or AVC scheme

- Regulation R16(2)(e) & R16(4)(d), R17(1), R15(1)(d)

St Bernard's **will not** set up a shared cost APC or AVC scheme. The only circumstances under which St Bernard's will contribute, as required, is where an employee chooses within 30 days following a period of authorised unpaid leave of absence, to purchase pension.

Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)

- Regulation R30(6) & TP11(2)

St Bernard's **will** consent to the payment of benefits on flexible retirement if a member is over the age of 55, permanently reduces his or her hours by at least 25% and or grade in accordance with the criteria set out within the County Councils flexible retirement policy (which requires a business case to be approved in each case).

Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.

- Regulation R30(8)

St Bernard's **will not** waive actuarial reductions on a flexible retirement.

Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.

- Regulation R30(8)

St Bernard's **will not** waive, in whole or part, the actuarial reduction on benefits where a member voluntarily elects to draw his or her benefits before normal pension age.

Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60

- Regulation TPSch 2, paras 1(2) and 2(2)

St Bernard's **will not** "switch on" the 85 year rule for a member voluntarily electing to draw benefits on or after age 55 but before age 60.

Whether to waive any actuarial reduction on pre and/or post April 2014 benefits.

- Regulation TP3(1), TPSch 2, paras 2 (1) and 2(2), B30(5) and B30A(5)

St Bernard's **will not** waive actuarial reductions on pre and or post April 2014 benefits.

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 £6,500.00 p.a.)

- Regulation R31

St Bernard's will not award additional pension to any member.

5. Additional Employer Discretions – LPGS Regulations 2013

Determine rate of employee's contributions

- Regulation R9(1) & R9(3)

St Bernard's **will** allocate employees to a contribution band based on the definition of pensionable pay (see attached appendix) on 1 April each year, following an assessment of their previous years' earnings. New staff will be allocated a contribution band on the basis of their contracted salary. Where an employee's APP (Assumed Pensionable Pay) is not clear, i.e. casual staff, they will be placed on the lower %age contribution rate for the first year and re-assessed the subsequent April. The allocation of a contribution band will not be reviewed mid-year should contracts and/or pay levels change.

In determining Assumed Pensionable Pay, whether a lump sum payment made in the previous 12 months is a "regular lump sum"

- Regulation R21(5)

St Bernard's will determine that a bonus paid in a previous year **is not** a regular payment for the purposes of calculating APP for a future year.

Extend 12 month time limit for acceptance of a transfer value.

- Regulation R100(68)

St Bernard's **will not** extend the time limit for acceptance of a transfer value, other than in exceptional circumstances as outlined in our current Policy decision and subject to fulfilling the current criteria.

Extend 12 month time limit for acceptance of a request not to have deferred benefits aggregated with their new or concurrent LGPS employment

- Regulation R22(8)(b), R22(7)(b)

St Bernard's **will not** extend the time limit for acceptance of a request not to aggregate previous deferred benefits with an employee's new or concurrent LGPS employment, other than in exceptional circumstances as outlined in our current Policy decision and subject to fulfilling the current criteria.

Which employees to nominate for membership (**admission bodies only**)

- Regulation R3(1)(c) & R4(2) (b)

This Regulation does not apply to Essex County Council

Determine whether a deferred beneficiary meets the criteria for ill health pension benefits.

- Regulation R38(3)

St Bernard's **will** determine in line with the medical assessment undertaken subject to completion of an ill health certificate by an Occupational Health specialist.

Decide to suspend Tier 3 benefit where member is likely to be capable of undertaking gainful employment.

- Regulation R38(6)

St Bernard's **will** determine in line with the medical assessment undertaken subject to completion of an ill health certificate by an Occupation Health specialist.

Recover any overpayment of Tier3 ill health pension following commencement of gainful employment.

- Regulation R37(3)

St Bernard's **will** seek to recover any overpayment where a Tier 3 pension has been paid after gainful employment has commenced, and the ex-employee has failed to disclose this information to St Bernard's.

6. Employer Discretions – Local Government Pension Scheme (Administration) Regulations 2008

Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60.

- Regulation B30(2)

St Bernard's **will not** consent to applications for early payment of deferred benefits, other than in exceptional circumstances as outlined in our current Early Release of Deferred Benefit Policy

Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30

- Regulation B30(5)

St Bernard's **will not** waive any actuarial reductions for early release of deferred benefits where, in exceptional circumstances, the County Council has given its consent subject to satisfying the criteria for early release set in our current Early Release of Deferred Benefit Policy.

Whether to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60

- Regulation B30A(3)

St Bernard's **will not** consent to applications for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60 other than on exceptional compassionate grounds as defined in our current Early Release of Deferred Benefit Policy.

Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30(A)

- Regulation B30A(5)

St Bernard's **will not** waive any actuarial reductions for early release of deferred benefits where, in exceptional circumstances, the County Council has given its consent subject to satisfying the criteria for early release set in our current Early Release of Deferred Benefit Policy.

Whether, for a member leaving on the grounds of redundancy or business efficiency on or before 31st March 2014, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving. Hence this discretion is spent entirely after 30th September 2014

- Regulation B12

St Bernard's **will not** increase the years of membership of a member.

7. Employer Discretions – Local Government Pension Scheme Regulations 1997 (as amended) in relation to pre 1 April 2008 leavers

Grant application from a post 31st March 1998 / pre 1st April 2008 leaver for early payment of benefits on or after age 50/55 and before age 60.

- Regulation 31(2)

St Bernard's **will not** consent to applications for early payment of deferred benefits from age 55+ other than in exceptional circumstances as outlined in our current Early Release of Deferred Benefit Policy. Applications for those of age 50-54 **will not** be considered due to the HMRC ruling that such payments are unauthorised.

Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early for a post 31st March 1998 / pre 1st April 2008 leaver.

- Regulation 31(5)

St Bernard's **will not** waive, on compassionate grounds, the actuarial reduction applied to the early payment of deferred benefits.

8. Employer Discretions – Local Government Pension Scheme Regulations 1995 (as amended) in relation to pre 1 April 1998 leavers

Grant applications for early payment of deferred pension benefits on or before age 50 and before age 65 on compassionate grounds.

- Regulation D11(2)(c)

St Bernard's **will not** consent to applications for early payment of deferred benefits from age 55+ other than in exceptional circumstances as outlined in our current Early Release of Deferred Benefit Policy. Applications for those age 50-54 **will not** be considered due to the HMRC ruling that such payments are unauthorised.

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

To base redundancy payments on an actual weeks pay where this exceeds the statutory week's pay limit.

- Regulation 5

St Bernard's will base redundancy payments as outlined in the County Council's current Organisational change policy in force.

To award lump sum compensation of up to 104 week's pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.

- Regulation 6

St Bernard's **will not** award lump sum compensation as outlined in the County Council's current Organisational change policy in force. *except where so obliged by virtue of TUPE.

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

How to apportion any surviving spouse's annual compensatory added years payment where the deceased person is survived by more than one spouse.

- Regulation 21(4)

St Bernard's **will** consider each case on its merits where, under earlier discretions, ECC had granted added years payment (NB ECC no longer exercises this discretion. Added years are **not** granted upon retirement under any circumstances.

How it will decide to whom any children's annual compensatory added years payments are to be paid where children's pensions are not payable under the LGPS (because the employee had not joined the LGPS) and, in such a case, how the annual added years will be apportioned amongst the eligible children.

- Regulation 25 (2)

St Bernard's **will** consider each case on its merits where, under earlier discretions, ECC had granted added years payment (NB ECC no longer exercises this discretion. Added years are **not** granted upon retirement under any circumstances.

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 dis-applied i.e. whether the spouse's or civil partner's annual compensatory added years payments should continue to be paid

- 21 (7)

St Bernard's approach is not to suspend/abate pension in circumstances of re-marriage, civil partnership or co-habitee where it applies to compensation added years. However The County Council reserves the right to review on a case by case basis, should this be deemed appropriate.

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.

- 21(5)

St Bernard's reserves the right to re instate any payment of compensatory added years following the end of any remarriage, new civil partnership or cohabitation should this have been the agreed preceding decision.

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.

- 17

St Bernard's **will not** reduce or suspend a members annual compensatory added years during any period of re-employment in local government.

How to reduce the member's annual compensatory added years payment following the cessation of a period of re-employment in local government.

- 19

St Bernard's **will not** reduce or suspend a member's annual compensatory added years during any period of re-employment in local government and therefore this discretion decision does not apply.

11. Employer Discretions under the Local Government (Discretionary Payments) (Injury Allowance) Regulations 2011

Whether to grant an injury allowance following a reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties.

- 3(1)

St Bernard's Policy Decision is **not** to set up an Injury Allowance Scheme at this time.

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.

- 3(4) and 8

St Bernard's Policy Decision is **not** to set up an Injury Allowance Scheme at this time.

Determine whether person continues to be entitled to an injury allowance awarded under regulation 3(1).

- 3(2)

St Bernard's Policy Decision is **not** to set up an Injury Allowance Scheme at this time.

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 if the job.

- 4(1)

St Bernard's Policy Decision is **not** to set up an Injury Allowance Scheme at this time.

Amount of injury allowance following cessation 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.

- 4(3) and 8

St Bernard's Policy Decision is **not** to set up an Injury Allowance Scheme at this time.

Determine whether person continues to be entitled to an injury allowance awarded under regulation 4(1).

- 4(2)

St Bernard's Policy Decision is **not** to set up an Injury Allowance Scheme at this time.

Whether to suspend or discontinue injury allowance awarded under regulation 4(1) if person secures paid employment for not less than 30 hours per week for a period of not less than 12 months.

- 4(5)

St Bernard's Policy Decision is **not** to set up an Injury Allowance Scheme at this time.

Whether to grant an injury allowance following cessation of employment with entitlement to immediate LGPS pension where a reg 3 payment was being made at date of cessation of employment but reg 4 does not apply.

- 6(1)

St Bernard's Policy Decision is **not** to set up an Injury Allowance Scheme at this time.

Determine whether and when to cease payment of an injury allowance payable under regulation 6(1).

- 6(2)

St Bernard's Policy Decision is **not** to set up an Injury Allowance Scheme at this time.

Whether to grant an injury allowance to the spouse, civil partner, nominated 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.

- 7(1)

St Bernard's Policy Decision is **not** to set up an Injury Allowance Scheme at this time.

Determine amount of any injury allowance to be paid under regulation 7(1).

- 7(2) and 8

St Bernard's Policy is **not** to set up an Injury Allowance Scheme at this time.

Determine whether and when to cease payment of an injury allowance payable under regulation (7)1.

- 7(3)

St Bernard's Policy Decision is **not** to set up an Injury Allowance Scheme at this time.

Appendix to Discretionary Decisions Statements – Definition of pensionable pay under the LGPS 2013 Regulations.

The definition of pensionable pay in the 2014 Scheme is, basically, the same as in the 2008 Scheme – i.e. all payments in respect of the job apart from those listed in Regulations as exclusions.

The significant change is that non-contractual overtime has been removed from the exclusions list with the introduction of the New LGPS 2014 and so, from 1st April 2014, non-contractual overtime becomes pensionable as does all additional plain time hours worked.

An employee's pensionable pay is the total of:

- **All** the salary, wages, fees and other payments paid to the employee, including PRP bonus, market supplement and
- Any benefit specified in the employee's contract of employment as being a pensionable emolument

But an employee's pensionable pay does not include:

- Any sum which has not had income tax liability determined on it;
- Any travelling, subsistence or other allowance paid in respect of expenses incurred in relation to the employment;
- Any payment in consideration of loss of holidays;
- Any payment in lieu of notice to terminate a contract of employment;
- Any payment as an inducement not to terminate employment before the payment is made;
- Any amount treated as the money value to the employee of the provisions of a motor vehicle or any amount paid in lieu of such provision;
- Any payment in consideration of loss of future pensionable payments or benefits;
- Any award of compensation (excluding any sum representing arrears of pay) for the purpose of achieving equal pay in relation to other employees;
- Any payment made by the Scheme employer to a member on reserve forces service leave;
- Returning officer, or acting returning officer fees other than fees paid in respect of:-
 - Local government elections,
 - Elections for the National Assembly for Wales,
 - Parliamentary elections, or
 - European Parliamentary elections.