

Honiton Community College  
Academy Trust



This policy was adopted by the Governing Body of  
Honiton Community College Academy Trust  
on the 5<sup>th</sup> October 2016  
This policy will be reviewed annually.

# LOCAL GOVERNMENT PENSION SCHEME (LGPS) POLICY

## **INTRODUCTION**

Under the rules of the Local Government Pension Scheme (LGPS), the employer has the right to authorise discretion on a number of matters regarding the administration of the pension scheme.

All employers are required to formulate a Discretions Policy in accordance with Regulation 66 of The Local Government Pension Scheme (Administration) Regulations 2008 and Regulation 60 of the Local Government Pension Scheme Regulations 2013. Where the discretion is not covered below, Honiton Community College will consider each case on its own merits.

This policy confers no contractual rights and may be subject to review from time to time. Any subsequent changes will be notified to affected employees.

Honiton Community College is committed to the principle of equal opportunities in employment regardless of a person's gender, age, disability, gender re-assignment, marital or civil partnership status, pregnancy, maternity status, race (including colour, nationality and ethnic or national origins), religion or belief, sex and sexual orientation.

### **The Local Government Pension Scheme Regulations 2008 (Benefits, Membership and Contributions)**

<b>REGULATION B18</b>	<b>POLICY DECISION</b>
<p><b>Flexible retirement</b></p> <p>Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up whilst still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade.</p> <p>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.</p>	<p>Honiton Community College does not give blanket consent for staff in the LGPS aged 55 or over to flexibly retire and draw immediate payment of pension benefit. Flexible retirement applications will be considered by the Senior Leadership Team on an individual application basis and will only be approved if it is in the College's economic and/or operational interests to do so. See Flexible Retirement Policy.</p>

REGULATION B30	POLICY DECISION
<p><b>Choice of early payment of pension</b></p> <p><b>B30(2)</b> Employers can also allow the early payment of deferred benefits to former members of the LGPS between the ages of 55 and 59.</p> <p><i>(Please note where a deferred member left the LGPS before 1 April 2008 then the employer policy under the 1997 Regulations will apply.)</i></p> <p><b>B30A(3)</b> Employers may also grant an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60.</p> <p><b>B30(5) &amp; B30A(5)</b> 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.</p>	<p>Honiton Community College will not have a general policy of granting early payment of deferred benefits to former members of the LGPS between the ages of 55 and 59, but may allow the early payment on a case by case basis where payment of those benefits is justifiable and a sound business case can be made for exercising this discretion.</p> <p>Honiton Community College will not have a general policy of granting an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60, but will consider applications on a case by case basis where payment of those benefits is justifiable and a sound business case can be made for exercising this discretion.</p> <p>Honiton Community College, in such cases, will not generally waive the reduction but will consider it in exceptional circumstances on compassionate grounds and a case by case basis, where payment of those benefits is justifiable and a sound business case can be made for exercising this discretion. If the reduction is not waived, pension benefits will be reduced in accordance with actuarial tables.</p>

**The Local Government Pension Scheme Regulations 2013 and The Local Government Pension Scheme (Transitional Provisions & Savings) Regulations 2014**

<b>Regulation R16(2)(e) &amp; R16 (4)(d)</b>	<b>POLICY DECISION</b>
<p><b>Shared Cost Additional Pension Scheme</b></p> <p>An employer can choose to pay for or contribute towards a member's Additional Pension Contract via a Shared Cost Additional Pension Contract (SCAPC)</p>	<p>Honiton Community College will not exercise this discretion.</p>

<b>Regulation R17(1) &amp; TP15(1)(d) &amp; A25(3)</b>	<b>POLICY DECISION</b>
<p><b>Shared Cost Additional Voluntary Contribution Arrangement</b></p> <p>An active member may elect to pay Additional Voluntary Contributions. An employer can choose to pay for or contribute towards a member's AVC arrangement via a Shared Cost Additional Voluntary Contributions (SCAVCs).</p>	<p>Honiton Community College will not exercise this discretion.</p>

<b>Regulation R30(6) &amp; TP11(2)</b>	<b>POLICY DECISION</b>
<p><b>Flexible Retirement</b></p> <p>Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while still continuing in employment. This is provided the employer agrees to the member either reducing their hours or moving to a position on a lower grade.</p> <p>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.</p>	<p>Honiton Community College does not give blanket consent for staff in the LGPS aged 55 or over to flexibly retire and draw immediate payment of pension benefits. Flexible retirement applications will be considered by the Senior Leadership Team on an individual application basis and will only be approved if it is in the College's economic and/or operational interests to do so. See Flexible Retirement Policy.</p>

<b>Regulation R30(8)</b>	<b>POLICY DECISION</b>
<p><b>Waiving of actuarial reduction</b></p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Honiton Community College will not have a general policy of waiving the actuarial reduction on flexible retirement, but may do so in exceptional circumstances on compassionate grounds and a case by case basis, where payment of those benefits is justifiable and a sound business case can be made for exercising this discretion.</p> <p>Honiton Community College will not have a general policy of waiving the actuarial reduction 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, but may do so in exceptional circumstances on compassionate grounds and a case by case basis, where payment of those benefits is justifiable and a sound business case can be made for exercising this discretion.</p> <p>Honiton Community College will not have a general policy of waiving the actuarial reduction applied to an active member’s benefits when a member chooses to voluntarily draw benefits on or after age 55 and before age 60, but may do so on a case by case basis where payment of those benefits is justifiable and a sound business case can be made for exercising this discretion.</p> <p>If the actuarial reduction is not waved in the above cases, pension benefits will be reduced in accordance with actuarial tables.</p>

Regulation TPSch 2, para 2(2) & 2(3)	POLICY DECISION
<p><b>Power of employing authority to 'switch on' the 85 Year Rule</b></p> <p>An employer can choose whether to "switch on" 85 year rule for members who voluntarily retire on or after age 55 and before age 60.</p> <p>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.</p>	<p>Honiton Community College will not have a general policy to "switch on" 85 year rule for members who voluntarily retire on or after age 55 and before age 60, but may do so on a case by case basis where payment of those benefits is justifiable and a sound business case can be made for exercising this discretion.</p> <p>Honiton Community College will not have a general policy to waive the actuarial reduction applied to benefits for a member voluntarily drawing benefits on or after age 55 and before age 60, but may do so in exceptional circumstances on compassionate grounds and a case by case basis, where payment of those benefits is justifiable and a sound business case can be made for exercising this discretion.</p>

Regulation R31	POLICY DECISION
<p><b>Power of employing authority to grant additional pension</b></p> <p>An employer can choose 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* per annum)</p> <p>(* the figure of £6,500 will be increased each April under Pensions Increase orders)</p>	<p>Honiton Community College will not exercise this discretion.</p>

Signed on behalf of: ....**HONITON COMMUNITY COLLEGE**....

Signature of authorised officer:

Date: .....

Print name of authorised officer: .....**G Smith**.....

Job Title: .....**PRINCIPAL**.....