



Employer Local Government Pension Scheme Discretions Policy

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| Author Initials | SW |
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(This policy supersedes all previous Employer Local Government Pension Scheme Discretions policies)

Mandatory LGPS discretions

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| Power of employing authority to grant additional pension | Policy Decision: |
| <p>An employer can choose to grant extra annual pension (at full cost to themselves) to:</p> <ul style="list-style-type: none"> • an active member; or • to a member, within 6 months of leaving, whose employment was terminated on the grounds of redundancy or business efficiency | <p>The discretion to award additional pension is not exercised by Education South West</p> |
| Shared Cost Additional Pension Contribution | Policy Decision: |
| <p>Where an active member wishes to purchase extra annual pension by making additional pension contributions (APCs)*, an employer can choose to voluntarily contribute towards the cost of purchasing that extra pension through a Shared Cost Additional Pension Contribution (SCAPC)</p> | <p>Any additional pension contributions will be funded in full by scheme members, Education South West will not fund, in whole or in part, an employee's Additional Pension Contributions</p> |
| 'Switch on' the 85-year rule | Policy Decision: |
| <p>The 85-year rule does not automatically fully apply to members who would have had the protection under old regulations, and who choose to voluntarily draw their benefits on or after age 55 and before age 60. An employer can decide to switch the 85-year rule back on in full for such members.</p> <p>Where the Scheme employer does not switch back on the 85-year rule, the member's benefits will be actuarially reduced. However, the Scheme employer can exercise a discretion to waive any actuarial reductions (at cost to the Scheme employer).</p> <p>The "85-year rule" in the Local Government Pension Scheme (LGPS) is a protection that allows members to draw their pension benefits without actuarial reduction, if their age at retirement plus their scheme membership years equal 85 or more. The protection offered by the 85-year rule is applicable if the member paid into the LGPS before 1 October 2006 and varies depending on the date the member started paying in to the scheme, the members date of birth and the date the member met the 85-year rule.</p> | <p>The policy of Education South West is that a decision to 'switch on' the 85-year rule (for scheme members aged between 55 and 60) is only made where there would be a financial or other benefit to the Trust</p> |

Flexible Retirement

An employer can decide whether to permit flexible retirement for staff aged 55 or over who reduce their working hours and/or grade and wish to access their pension benefits.

In such cases, pension benefits may be reduced in accordance with actuarial tables unless the employer waives reduction on compassionate grounds.

The employee must reduce either their hours, and/or their grade and the employer must agree to the release of the pension.

You will need to consider:

- The minimum reduction in hours or grade required.
- Whether the employee should commit to a reduction in hours or grade for a minimum period.
- Whether the employee should commit to remaining in employment with the employer for a minimum period

You must also state whether, in addition to the benefits the member has accrued prior to 1st April 2008 (which the member must draw), you permit the member to choose to draw:

- All, part, or none of the benefits they accrued after 31st March 2008 and before 1st April 2014 and/or,
- All, part, or none of the benefits accrued after 31st March 2014, and,
- Whether to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members' benefits paid on the grounds of flexible retirement before normal retirement age (R30(8)).

Waive actuarial reductions to members benefits

An employer can decide whether to waive in whole or in part any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement

This applies to:

- active members voluntarily retiring on or after age 55 and before Normal Pension Age, who elect to immediately draw benefits, and
- deferred members and suspended tier 3 ill health pensioners who elect to draw benefits (other than on ill health grounds) on or after age 55 and before Normal Pension Age.

Policy Decision:

The policy of Education South West is to evaluate each employee application for flexible retirement, and where reasonable make all effort to accommodate them.

Policy Decision:

The discretion to waive reductions in early released benefits is not exercised by Education South West and any reduction to benefits will apply