# CARWARDEN HOUSE COMMUNITY SCHOOL

## STATEMENT OF POLICY ON EMPLOYER DISCRETIONS UNDER LOCAL GOVERNMENT PENSION SCHEME

Updated Spring Term annually by: School Business Manager

Reviewed by Audit, Risk and Resources Committee: 6th March 2025

Due for review: Spring Term 2026

Under the rules of the Local Government Pension Scheme (**LGPS**), Carwarden House Community School (the **Employer**) has the right to authorise discretion on a number of matters regarding the administration of the pension scheme. A number of these statutory discretions require the employer to publicise the approach they will take. The Employer is a Scheme Employer under the LGPS.

This statement only applies to those employees who have elected to join LGPS. **(Affected Employees)**

This policy confers no contractual rights.

This statement sets out how the Employer currently exercises the statutory discretions that it has under the above Regulations.

This statement is kept under review and will be formally reviewed by the Employer each year. The Employer will notify the Affected Employees and their representatives of any changes made to this policy from time to time.

In determining its policy as referred to in this statement the Employer has had regard to the cost that would be incurred in exercising each and every one of the discretions and has also had regard to its obligations as a Registered Provider.
Where the Employer has adopted a general policy not to exercise one of its statutory discretions this can only be changed, on an individual basis, if the Employer's Trustee Board determines that there are exceptional circumstances justifying the exercise of the discretion and the Trustee Board is satisfied that it is in the best interests of the Employer and complies with the Employers legal and regulatory obligations.

## STATEMENT OF POLICY UNDER THE LGPS REGULATIONS AND TRANSITIONAL REGULATIONS (for active scheme members and members who cease active membership after 31 March 2014)

### Power of Scheme Employer to Award Additional Pension (Regulation 31)

An employer may resolve to award an employee, at any time whilst they are an active member of the LGPS (or within 6 months of leaving where employment was terminated on the grounds of redundancy or business efficiency), additional pension of not more than £8,344* a year, payable from the same date as his pension is payable under any provisions of the LGPS Regulations.

*Index linked and subject to increase each April

**Policy Decision:** The Employer will not exercise this discretion.

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

Where an active member wishes to purchase extra annual pension of up to £8,344* by making Additional Pension Contributions (APCs), an employer may (voluntarily) contribute towards the cost of purchasing that extra pension via a Shared Cost

## Additional Pension Contribution (SCAPC)

*Index linked and subject to increase each April

**Policy Decision:** The Employer will not exercise its discretion to make a SCAPC under this Regulation.

## Flexible Retirement (Regulation 30 (6)

A member who has attained the age of 55 and who, with their employer's consent, reduces the hours they work, or the grade in which they are employed, may make a request in writing to the appropriate administering authority to receive all or part of their benefits under the Regulations, and such benefits may, with the employer's consent, be paid to them notwithstanding the fact that they has not retired from that employment.

If the payment of benefits takes effect before the member's Normal Pension Age, they will be reduced in accordance with guidance issues by the Government Actuary unless the employer agrees to waive, in full or in part, any such reduction at its own cost.

**Policy Decision:** The Employer will consider all requests for Flexible Working on a case-by-case basis, in line with its own policies and the statutory regulations. Where flexible working arrangements are agreed, and this results in a permanent reduction in salary of 40% or more, the Employer will generally support a request by the Employee to draw their pension benefits. However, the Employer will not exercise its discretion to waive actuarial reductions when an employee makes an arrangement for flexible retirement.

## Protection of 85 Year Rule Schedule 2

Other than in the case of flexible retirement, there is no longer an automatic entitlement to receive unreduced pension benefits in respect of those employees aged between 55 and 60 who voluntarily draw their pensions benefits and whose age plus length of service is 85 or more (the '85-year rule'). Employers have the discretion switch back on the 85-year rule for such members. Otherwise, benefits will be reduced in accordance with actuarial guidance issued by the Secretary of State.

**Policy Decision**: The Employer will not exercise this discretion.

## Waiver of Actuarial Reductions Regulation 30 (8)

In respect of active members who voluntarily retire on or after age 55 and who elect to immediately draw their pension benefits, and in respect of deferred members and suspended tier 3 ill health pensioners who elect to draw their pension benefits (other than on grounds of ill health) on or after age 55, the employer has a discretion to waive, in whole or in part, any actuarial reductions that would otherwise be applied to the benefits.

**Policy Decision:** The Employer will not exercise its discretion to waive actuarial reductions in any circumstances.

## NON-MANDATORY STATEMENT OF POLICY UNDER THE LGPS REGULATIONS

### Inward Transfer of Pension Rights (Regulation 100(6)

Employees joining the LGPS have a period of 12 months in which to elect to transfer pension benefits from previous employment into the LGPS. A Scheme Employer has discretion to extend this transfer period beyond 12 months.

**Policy Decision:** The Employer will not exercise this discretion.

### Shared Cost Additional Voluntary Contributions (Regulation 17)

An active member may elect to pay Additional Voluntary Contributions (AVCs) into the scheme to increase the value of their pension. A Scheme Employer has a discretion whether, how much, and in what circumstances to contribute (or continue contributing) to an employee's AVCs by making a SCAVC.

**Policy Decision:** The Employer will not exercise this discretion.

### Separation of LGPS benefits (Regulation 122 (7) & (8))

Scheme members who have deferred LGPS benefits have a period of 12 months from commencing new LGPS employment in which to elect not to have those benefits aggregated with their new LGPS employment. A Scheme Employer has discretion to extend this period beyond 12 months.

**Policy Decision:** The Employer will not exercise this discretion.

### Contributions Payable by Active Members (Regulation 9 & 10)

All active members of the LGPS will be allocated to a contribution band based on their full-time equivalent pensionable pay. The contribution band ranges will increase on 1 April each year by the rise in the Consumer Price Index. All active members of the LGPS will be allocated to the relevant contribution band on 1 April each year or at the commencement of their employment with Carwarden House Community School. Carwarden House Community School will re-assess and adjust an individual employee's contribution band part way during the financial year in the following instances:

(i) Where there has been a contractual change during the year (e.g., promotion) requiring the salary to be adjusted. This will avoid underpayment of contributions by Carwarden House Community School and will prevent any potential claims of inequality from a new employee being appointed on the same pay but within a higher employee contribution band.

(ii) Where a pay award is applied mid-year (for example changes as a result of cost of living pay awards from 1 April) or backdated.

(iii) Where an employee has been placed in the wrong contribution band in error, which may result in a shortfall in contribution rates at subsequent evaluations.

**Applications to Make Absence Contributions**

A Scheme Employer has a discretion whether, when calculating assumed pensionable pay in the circumstances set out below, to include in the calculation the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began (or the date retirement/death as the case may be):

- Ill health absence.
- Family related leave.
- Reserve forces leave.
- Tier 1 or Tier 2 ill health retirement.
- Death in service.

**Policy Decision:** The Employer will not exercise this discretion.

## STATEMENT OF POLICY UNDER THE ADMINISTRATION REGULATIONS (in respect of leavers between 1 April 2008 and 31 March 2014)

Scheme Employers have a discretion to:

- grant applications for the early payment of deferred pension benefits for members between the age of 55 and 60 (Reg 30(2) Benefit Regulations);
- waive, on compassionate grounds, actuarial reductions applied to deferred benefits paid before age 65 (Reg 30(5) Benefit Regulations);
- grant applications for early payment of a suspended tier 3 ill health pension for members between the age of 55 and 60 (Reg 30A(3) Benefit Regulations);
- waive, on compassionate grounds, actuarial reductions applied to suspended tier 3 ill health pension benefits which are brought back into payment before age 65 (Reg 30A(5) Benefit Regulations); and
- grant (within 6 months of the date of termination) extra membership to a member whose employment was terminated before 1 April 2014 on the grounds of redundancy or business efficiency (Reg 12 Benefit Regulations) and Reg 3(1) Transitional Regulations).

**Policy Decision**: The Employer will not exercise these discretions.

## STATEMENT OF POLICY UNDER THE EARLY TERMINATION REGULATIONS

### Regulation 5: Power to Increase Statutory Redundancy Payments

A Scheme Employer may exercise a power to increase statutory redundancy payments by calculating such payments on the basis of one week's actual pay, uncapped by the statutory limit.

**Policy Decision:** Any enhanced redundancy payment, if any, will be payable as provided for by the terms agreed by the Employer's Trustee Board.

### Regulation 6: Discretionary Compensation

A Scheme Employer may exercise a power to award discretionary lump sum compensation on termination of employment up to a maximum of 104 weeks' pay (inclusive of any redundancy pay).

**Policy Decision:** The Employer will not exercise its discretion to award compensation up to a maximum of 104 weeks' pay under these Regulations. Any enhanced payments, if any, will be payable as provided for in accordance with the terms agreed by the Employer's Trustee Board.

## STATEMENT OF POLICY UNDER THE INJURY REGULATIONS

### Regulations 3 to 5 Injury Regulations: Injury-Related Payments

Scheme Employers have a discretion whether to make an injury award (and, if so, how to determine the amount of such an award) in respect of employees who sustain an injury or contract a disease as a result of anything they were required to do in performing the duties of their job and in consequence of which they:

- suffer a reduction in remuneration.
- cease to be employed as result of an incapacity which is likely to be permanent; or
- die leaving a surviving spouse, civil partner or dependent.

**Policy Decision**: The Employer will not exercise this discretion unless the Employer's Trustee Board Trustee Board determines otherwise.