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## St John's Church of England Primary School ODBST LGPS – Discretions within the Scheme Policy

<b>Policy Level:</b>	2	<b>ODBST Statutory and Mandatory Policy</b> All schools must adopt these policies with local amendment strongly discouraged. These policies are centrally amended and binding on LGBs from the date of Board approval. They must be displayed on the School's website. Approval for all proposed local amendments must be sought from the ODBST Governance Lead prior to Local Governing Body resolution.
<b>Other related ODBST policies and procedures:</b>		
<b>Committee responsible:</b>	Executive Committee	
<b>Approved by:</b>	Trust Board	
<b>Date Approved:</b>	9th July 2020	
<b>Date for Next Review:</b>	July 2022	

In reviewing this policy the Trust Board has had regards to the Equality act 2010 and carried out an equality impact assessment. It is satisfied that no group with a protected characteristic will be unfairly disadvantaged

## **1. Introduction**

**1.1** Under the Local Government Pension Scheme (Benefits, Membership and Contributions Regulations 2014), each Employing Authority is required to formulate, publish and maintain a Discretions Policy under the LGPS. This document sets out below the discretions to be applied within ODBST.

## **2. Scope**

**2.1** The policy and procedure set out in this document applies to all ODBST employees, who are employed as support staff in schools or are central staff, who have elected to join the Local Government Pension Scheme.

## **3. Discretions within the Scheme**

### **3.1 Calculation of contribution band**

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 ODBST. ODBST 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 ODBST 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 CBP effective from 1 July), 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.

### **3.2 Discretion to permit late inward transfer of pension rights**

A request to transfer pension rights into the LGPS must be made within 12 months of joining the scheme. Any request to transfer pension rights after the twelve-month limit will be declined unless there are extenuating circumstances for the delay. Further information about the application process is made available to new employees with their contract of employment or can be requested direct from the Pensions Team on 01296 383755 or via e-mail [pensions@buckscc.gov.uk](mailto:pensions@buckscc.gov.uk).

### **3.3 Discretion to adopt an Injury Benefit Scheme**

ODBST will not be adopting this discretion to adopt an Injury Benefit Scheme.

### **3.4 Additional Pension Contributions (APC's)**

ODBST will not contribute towards the cost of any Additional Pension contribution (ie. enter into a Shared Cost APC) for any employee who elects to do this beyond the requirements of the LGPS legislation.

### **3.5 Shared cost Additional Voluntary Contributions**

ODBST will not contribute towards the cost of any Additional Voluntary Contribution (ie. enter into a Shared Cost AVC) for any employee who elects to do this.

## **4. Retirement Pension Discretions**

### **4.1 Whether to grant extra annual pension of up to £6,500 to an active scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.**

ODBST will not be adopting this discretion.

### **4.2 Whether where an active scheme member wishes to purchase additional pension of up to £6,500 by making Additional Pension Contributions (APC's) to (voluntarily)**

**contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC)**

ODBST will not be adopting this discretion.

**4.3 Whether to permit flexible retirement for staff age 55 or over who, with the agreement of the employer, reduce their working hours or grade.**

(i) ODBST will allow this discretion to apply provided the employee:

- Reduces their total pensionable salary by a minimum of 30% and a maximum of 60% either through reduced hours and/or grade. Any increase in hours within the three months prior to the application will be disregarded as will any protected salary amount where the protection is due to end within 6 months of the proposed flexible retirement date.
- Continues in their current post or, with agreement from the line manager, transfers to another post within the same business unit.

(ii) There must be a clear business benefit to ODBST in terms of retention of valuable skills and knowledge.

(iii) The process set out in paragraph 4.5 below will apply.

(iv) ODBST will only consider waiving of actuarial reductions:

- if the above conditions are met;
- if a pension strain payment has to be made to meet the requirements of the LGPS regulations for an employee who meets the “rule of 85 protection”
- and/or there are exceptional reasons to consider making a pension strain payment.

**4.4 Whether as the 85 year rule does not (other than on Flexible retirement) automatically apply to members who would otherwise be subject to it and who choose to voluntarily**

**draw their benefits on or after age 55 and before age 60, to switch the 85 year rule back on for such members**

Waiving of actuarial reductions and the application (“switching back on”) of 85 years rule protections will be considered on a case by case basis and only where there is a clear financial or business advantage to ODBST.

The process set out in paragraph 4.5 below will apply.

**4.5 Whether to waive any actuarial reductions.**

(i) Waiving of actuarial reductions will be considered on a case by case basis and only where there is a clear financial or business advantage to ODBST.

(ii) A business case will be made by the relevant Governing Body or Senior Officer and agreed jointly by the Chief Executive of ODBST before final approval is sought from the Board of ODBST.

**4.6 Discretion to grant an application for reinstatement of a suspended tier 3 ill health pension on or after 55 and before age 60**

ODBST will not be adopting this discretion to allow reinstatement of a suspended tier 3 ill health pension on or after 55 and before age 60.

**4.7 Discretion to waive, on compassionate grounds, the actuarial reduction applied to the reinstatement of a suspended tier 3 ill health pension paid early (i.e. on or after age 55 and before age 60**

ODBST will not be adopting this discretion to waive, on compassionate grounds, the actuarial reduction applied to the reinstatement of a suspended tier 3 ill health pension paid early.

**5. Determination of questions and disputes**

**5.1** Any applications to deal with questions and disputes arising from the administration of the scheme membership must be made to the Chief Executive of ODBST. Further

information on the Internal Dispute Resolution Procedure can be found on the Buckinghamshire Council's Pensions [web site](#).