



LOCAL GOVERNMENT PENSION SCHEME DISCRETION STATEMENT FOR ARTHUR MELLOWS VILLAGE COLLEGE (THE COLLEGE)

Presented to:

Governors: Finance and Administration Committee
20 June 2017

Date approved: ¹	20 June 2017 (AMVC Finance and Administration Committee)
Date reviewed: ²	
Date of next review: ³	

¹ This is the date the policy was approved by the meeting

² This is the date the policy was reviewed prior to its approval above

³ This is the date as set by the policy review clause or the date approved plus three years

Local Government Pension Scheme Discretion Statement for Arthur Mellows Village College (the College)

Reviewed: May 2017

This discretions statement documents the College's normal approach to applications for the exercise of discretions under the following regulations:

- the Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended) [prefix B]
- the Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]
- the Local Government Pension Scheme Regulations 1995 (as amended) [prefix V]

Each case will be considered separately and, in exceptional circumstances, a different discretion may be applied. This will particularly apply where there is no other option to resolve an issue not of an individual's making.

Discretion Description	Regulation	Discretion Statement
Whether to extend the 12 month option period for aggregation of deferred benefits	A16(4)(b)(ii)	The College will exercise its discretion when a member of staff makes a request, if the member of staff meets the following criteria: <ul style="list-style-type: none"> • Prior to joining the College they had been continually a member of the Local Government Pension Scheme (LGPS). • The member of staff only has one deferred pension pot with a LGPS. • If there has been a break in service, this was for career break purposes. • The member of staff has not previously left the LGPS due to redundancy or dismissal. • The member of staff has more than 10 years to work before reaching the age of 65. • The member of staff is able to provide adequate reason for making such a request outside of the 12-month transfer period. Each request will be considered on an individual basis and the College reserves the right to decline requests even if they meet the above criteria
Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	A83(8)	The College will not exercise this discretion.
Whether to augment membership of an active member (by up to 10 years)	B12*	The College will not normally exercise this discretion and will not normally augment pensions for staff leaving under redundancy, early retirement in the interests of efficiency or voluntary early retirement. The augmentation will only be granted in very exceptional circumstances and will be at the discretion of the College in consultation with the Head of College. Any costs associated with the granting of the discretion will be met from the relevant budget.

Whether to grant additional pension to a member (by up to £5,000 pa)	B13*	The College will not exercise this discretion in addition or as an alternative to augmentation for staff leaving under redundancy, early retirement in the interests of efficiency or voluntary early retirement.
Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)	B18(1)*	Where an employee seeks the College's consent to take flexible retirement, the College will assess the request on its merits, taking into account any capital costs of flexible retirement, and the individual circumstances. The College will seek to see a minimum reduction of hours of 20%. Where such a request is approved, the employee will be eligible to receive immediate payment of the pension and lump sum (if applicable), though these will be reduced. The amount of reduction to the pension and lump sum is determined by an actuarial calculation based on a formula determined by the Government Actuary's Department. Flexible retirement must be approved by the Head of College and the final agreement will rest with the College following receipt of a written business case. Any costs associated with granting flexible retirement will be met from the relevant budget.
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement	B18(3)*	The College will not normally exercise this discretion. Where such a request is approved, the employee will be eligible to receive immediate payment of the pension and lump sum (if applicable), though these will be normally actuarially reduced. The amount of reduction to the pension and lump sum is determined by an actuarial calculation based on a formula determined by the Government Actuary's Department. The decision to waive the actuarial reduction will only be applied in exceptional circumstances, at the discretion of the College and the Head of College. Any costs associated with the granting of this discretion will be met from the relevant budget.
Whether to grant application for early payment of benefits on or after age 55 and before age 60	B30(2)*	<p>Where an employee seeks the College's consent to take early retirement, the College will assess the request on its merits, taking into account any capital costs of early retirement, and the individual circumstances. Where such a request is approved, the employee will be eligible to receive immediate payment of the pension and lump sum (if applicable), though these will be reduced. The amount of reduction to the pension and lump sum is determined by an actuarial calculation based on a formula determined by the Government Actuary's Department.</p> <p>Early retirement must be approved by the College and the Head Of College following receipt of a written business case. Any costs associated with granting early retirement will be met from the relevant departmental budget.</p>
Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early.	B30(5)*	In exceptional circumstances, the reduction to the pension and lump sum may be waived. This will usually be on compassionate grounds. The College will apply the definition "inclined to pity or mercy" to determine whether reduction in pension benefits is to be waived. The decision to waive the actuarial reduction will only be applied in exceptional circumstances, at the discretion of the College and the Head of College. Any costs associated with the granting of this discretion will be met from the relevant budget.

Grant application from a post 31.3.98. / pre 1.4.08. leaver for early payment of benefits on or after age 50/55 and before age 60	L31(2)*	<p>Where an employee seeks the College's consent to take early retirement, the College will assess the request on its merits, taking into account any capital costs of early retirement, and the individual circumstances. Where such a request is approved, the employee will be eligible to receive immediate payment of the pension and lump sum (if applicable), though these will be reduced. The amount of reduction to the pension and lump sum is determined by an actuarial calculation based on a formula determined by the Government Actuary's Department.</p> <p>Early retirement must be approved by the College and the Head Of College following receipt of a written business case. Any costs associated with granting early retirement will be met from the relevant departmental budget.</p>
Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early for a post 31.3.98. / pre 1.4.08. leaver.	L31(5)*	<p>In exceptional circumstances, the reduction to the pension and lump sum may be waived. This will usually be on compassionate grounds. The College will apply the definition "inclined to pity or mercy" to determine whether reduction in pension benefits is to be waived. The decision to waive the actuarial reduction will only be applied in exceptional circumstances, at the discretion of the College and the Head of College. Any costs associated with the granting of this discretion will be met from the relevant budget.</p>
Pre 1.4.08. employee opts out only to get benefits paid from Normal Retirement Date if employer agrees	L31(7A)*	<p>This discretion will not be used</p>
Grant application from a pre 1.4.98. leaver for early payment of deferred benefits on or after age 50 on compassionate grounds	VD11(2)(c)	<p>Where an employee seeks the College's consent to take early retirement, the College will assess the request on its merits, taking into account any capital costs of early retirement, and the individual circumstances. Where such a request is approved, the employee will be eligible to receive immediate payment of the pension and lump sum (if applicable), though these will be reduced. The amount of reduction to the pension and lump sum is determined by an actuarial calculation based on a formula determined by the Government Actuary's Department.</p> <p>Early retirement must be approved by the College and the Head Of College following receipt of a written business case. Any costs associated with granting early retirement will be met from the relevant departmental budget.</p>

To apply for a discretion to be used you should write to the Head of College setting out the reasons why the College should decide to allow this.

Determine rate of employees' contributions	B3 & T9	<p>The College will apply the following principles to allocate a member of staff to the correct contribution band:</p> <ul style="list-style-type: none"> • All active members of the Local Government Pension Scheme will be allocated to a contribution bands based on their full-time equivalent pensionable pay.
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		<ul style="list-style-type: none"> • The contribution band ranges will increase on 1 April each year by the rise in the Retail Price Index. • All active members of the Local Government Pension Scheme will be allocated to the relevant contribution band on 1 April each year or at the commencement of their employment with the College. • The College may reassess and adjust an individual employee's contribution band part-way during the financial year in the following instances: <ul style="list-style-type: none"> (i) When there has been a contractual change during the year (eg promotion) requiring the salary to be adjusted. This will avoid underpayment of contributions by the College 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 national pay award is applied mid-year, or backdated to 1 April. (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.
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Review

The Governing Body (or responsible committee) will review this policy in line with the procedure for policy review.

Date for review - if no other reason for review (see policy review procedure) this policy will be reviewed in 3 years.

Under Review