



# Statement of Policy on: The Local Government Pension Scheme Regulations (LGPS) 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014

## Version 2

<p><b>Important:</b> This document can only be considered valid when viewed on the Trust website. If this document has been printed or saved to another location, you must check that the version number on your copy matches that of the document online.</p> <p><b>Name and Title of Author:</b></p>	<p>Lisa Longstaff, Director of People</p>
<p><b>Name of Responsible Committee/Individual:</b></p>	<p>Resources and Finance Committee</p>
<p><b>Implementation Date:</b></p>	<p>Summer Term 2024</p>
<p><b>Review Date:</b></p>	<p>Summer Term 2027</p>
<p><b>Target Audience:</b></p>	<p>Employees who are members of the Local Government Pension Scheme</p>
<p><b>Related Documents:</b></p> <p>All Trust policies and procedures referred to are located on the trust website, <a href="http://www.theeducationalliance.org.uk">www.theeducationalliance.org.uk</a>.</p> <p>If English is not your first language, and you require assistance/translation, please contact the HR Department.</p>	<ul style="list-style-type: none"> <li>• The 2014 Scheme Regulations – regulation 60 of the LGPS Regulations 2013 and paragraph 2(2) of Schedule 2 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014</li> <li>• The 2008 Scheme Regulations – regulation 66 of the LGPS (Administration) Regulations</li> <li>• LGPS Regulations 1997 – regulation 106</li> <li>• Equality Act 2010</li> <li>• ERPF Discretions Guidance Notes</li> </ul>

## Contents

Section	Page
Policy Statement	3
1. Purpose and Scope	3
2. Roles and Responsibilities	3
3. Equality and Diversity	4
4. LGPS Discretions	4
5. Right of Appeal	6
6. Monitoring Compliance With and Effectiveness of this Policy Statement	7

## POLICY STATEMENT

We are here to make great schools and happier, stronger communities so that people have better lives. We do this by:

- Always doing what is right
- Trusting in each other and standing shoulder to shoulder
- Doing what we know makes the difference

Doing what is right means always acting with integrity, in the interests of others and being honest, open, and transparent.

The Education Alliance (the trust/TEAL) acknowledges that employees are attracted, retained, and engaged by a range of financial and non-financial rewards and motivations. The aim of this policy is to provide clarity regarding the considerations and approach TEAL will take when it receives employee requests for LGPS discretions.

### 1. PURPOSE AND SCOPE

The Local Government Pension Scheme (LGPS) in England and Wales was amended from 1 April 2014 so that benefits for service after 31 March 2014, build-up on a defined benefit career average revalued earnings (CARE) basis, rather than on a defined benefit final salary basis. The provisions of the CARE scheme, together with the protections for members' pre 1 April 2014 final salary rights, are contained in the Local Government Pension Scheme Regulations 2013 [SI 2013/2356] and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525].

TEAL has considered the LGPS discretions available and this policy details the discretions available in the above Statutory Instruments, which should be implemented in compliance with Regulation 60 of the LGPS Regulations 2013 and paragraph 2(2) of Schedule 2 of the LGPS (Transitional etc.) Regulations 2014. TEAL is committed to the principles of fairness, equality and transparency and aims to ensure that requests made under this policy are managed in a fair and transparent way.

This statement of policy applies to employees of TEAL who are members of the LGPS.

### 2. ROLES AND RESPONSIBILITIES

The **CEO** is responsible for ensuring TEAL's Statement of Policy on The Local Government Pension Scheme Regulations (LGPS) 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 are accessible, and that decisions are made and reviewed in line with the policy.

The **Resources and Finance Committee** is responsible for approving this policy.

The **HR and Finance Departments** are responsible for overseeing the development, review, implementation, communication, monitoring and evaluation of this policy and associated policies and procedures, reporting to the CEO and Resources and Finance Committee as required. They will work together to ensure that this policy is implemented fairly and consistently.

The **HR Department** will ensure that pension discretion decisions and reviews follow the correct processes and that due regard is given to fairness, equity, and sustainability. Discretions applications will be considered and assessed by the Director of People and the Chief Financial Officer.

The **Headteacher** in each school will have oversight of pension discretions decisions for employees within their respective schools.

**Staff** are expected to familiarise themselves with TEAL’s policies, procedures, and process for making an application for any of the LGPS discretions to be considered. Staff should apply in writing, to their HR department and Headteacher.

The decision will sit with TEAL’s **Executive Team** and the outcome will be communicated to staff in writing.

### 3. EQUALITY AND DIVERSITY

The Education Alliance is committed to:

- Promoting equality and diversity in its policies, procedures, and guidelines
- Ensuring staff are protected from unlawful direct or indirect discrimination resulting from a protected characteristic (e.g. age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, or sexual orientation).
- Delivering high quality teaching and services that meet the diverse needs of its student population and its workforce, ensuring that no individual or group is disadvantaged.

### 4. LGPS Discretions

TEAL has resolved that the following discretions available in the above Statutory Instruments, should be implemented in compliance with Regulation 60 of the LGPS Regulations 2013 and paragraph 2(2) of Schedule 2 of the LGPS (Transitional etc.) Regulations 2014 as set out below:

REGULATION 16(2)(e) and 16(4)(d)	POLICY DECISION
<p><b>Discretion of employing authority to decide to pay towards the cost of Additional Pension Contributions (APCs)</b></p> <p>Where an active scheme member has decided to make Additional Pension Contributions (APCs) to purchase extra pension benefits (up to £6,500 per annum), the employer can resolve to voluntarily contribute towards the cost of this.</p> <p>Note: This does not include instances where the employee is paying for lost pension via an APC where the election was made in the first 30 days – here the employer must pay two-thirds of the cost of such purchase.</p>	<p><b>Option 1</b></p> <p>TEAL will not make use of the discretion to voluntarily contribute towards the cost of purchasing extra pension via a Shared Cost Additional Pension Contribution (SCAPC).</p>
REGULATION 30(6)	POLICY DECISION
<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</p>	<p><b>Option 3</b></p> <p>TEAL will not agree to requests for flexible retirement except in circumstances where it is considered to be in TEAL’s financial or</p>

<p>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 the reduction either fully or in part (regulation 30 (8)) or a member has protected rights.</p>	<p>operational interests to do so.</p> <p>Where flexible retirement is agreed, the benefits payable will be subject to any actuarial reduction applicable under the Local Government Pension Scheme Regulations and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.</p>
<p><b>REGULATION 30(8) &amp; PARAGRAPH 2(1) OF SCHEDULE 2 TRANSITIONAL REGULATIONS</b></p>	<p><b>POLICY DECISION</b></p>
<p><b>Power of employer to waive actuarial reductions on Compassionate Grounds</b></p> <p>Employers can agree to waive any actuarial reductions due in the case of employees retiring any time after age 55.</p> <p>Employers have the ability to waive any actuarial reductions, only on compassionate grounds, for pension benefits accrued up to 31 March 2014.</p> <p>If this discretion is used, the employer will pick up the cost of waiving reductions as an immediate strain cost payment.</p> <p>For pension benefits accrued after 31 March 2014, however, the employer has a discretion to waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2014.</p>	<p><b>Option 2</b></p> <p>Where members choose to voluntarily draw their benefits on or after age 55 and before normal pension age, TEAL will not agree to waive in whole or in part any actuarial reduction that would otherwise be applied to their benefits, except in circumstances where the employer considers it is in its financial or operational interests to do so and there are compelling compassionate reasons for doing so.</p> <p>Each case</p> <ul style="list-style-type: none"> <li>• will be considered on the merits of the financial and operational business case put forward, and</li> <li>• will be considered on the merits of the compassionate case put forward, and</li> <li>• will require approval from the Executive Team, including, where the reduction is only to be waived in part, approval for the amount of reduction to be waived.</li> </ul>
<p><b>REGULATION 31</b></p>	<p><b>POLICY DECISION</b></p>
<p><b>Power of employing authority to grant additional pension of up to £8,344 of annual pension</b></p> <p>An employer may resolve to grant extra pension of up to £8,344 to an active scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds redundancy or business efficiency.</p>	<p><b>Option 2</b></p> <p>TEAL will not make use of the discretion to grant extra pension of up to £8,344.</p>
<p><b>PARAGRAPH 1 (1)(C) SCHEDULE 2 TRANSITIONAL REGULATIONS</b></p>	<p><b>POLICY DECISION</b></p>
<p><b>Power of the employer to ‘switch’ back on the 85-year rule for employees retiring between ages 55 and 60 - TP Sch2, para 2(2)</b></p> <p>Employees are able to voluntarily retire between</p>	<p><b>Option 2</b></p> <p>TEAL will not agree to apply the 85 year rule where members choose to voluntarily draw their benefits on or after age 55 and before age 60</p>

<p>ages 55 and 60, post-31 March 2014 and onwards. Formerly this was only with employer permission and if granted, the employer would have paid any strain cost due if the employee met the 85-year rule.</p> <p>The 85-year rule does not automatically apply to members retiring between 55 and 60, as the facility to retire voluntarily between 55 and 60 is a new facility.</p> <p>The employer has the discretion to 'switch' back on the 85-year rule for employees leaving between 55 and 60, thus allowing employees to not have reductions (or have lesser reductions). In these cases, the employer would have associated strain costs that would have to be paid by the organisation instead.</p>	<p>except in circumstances where the employer considers it is in its financial or operational interests to do so.</p>
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There are other non-compulsory discretions to consider, and cases where these may arise in the future will be considered on an individual basis. In exercising the discretionary powers available under the above Regulations, TEAL must act with due prudence and propriety and consider the financial impact of applying the discretions.

**5. RIGHT OF APPEAL**

If an employee is unhappy about a decision made in regard to their pension benefits, they have the right to have their complaint independently reviewed under the LGPS Internal Dispute Resolution Procedure (IDRP) and details will be sent to the employee. If the dispute has already become the subject of proceeding in any court or tribunal, then under the Pensions Act 1995 and employee cannot use the IDRP to resolve their dispute.

The IDRP is a two stage process:

Stage 1

The employee must firstly complete and return their Stage 1 IDPR application form (available from [erpf@eastriding.gov.uk](mailto:erpf@eastriding.gov.uk)) to the East Riding Pension Fund (ERPF), documenting details of their complaint, and enclosing any documentation they may feel relevant. This must be done within 6 months of the date of the notification of the decision the employee wishes to make a complaint about. At this point the complaint may be directed to the employer. This will be assessed, and the details of the employee case will be forwarded to the relevant adjudicator whose role is to consider the individual case carefully. The employee will receive an acknowledgement containing details of the adjudicator and expected timescale for completion.

If, on receipt of the final response from the adjudicator, the employee is still unhappy, the complaint can be progressed to stage 2.

Stage 2 Appeal

This stage requires the employee to complete and return your Stage 2 IDRP application form to the ERPF setting out clearly why they are unhappy with the decision made by the Stage 1 adjudicator. This must be

done within 6 months of their decision. The appeal will be forwarded to the adjudicator of the body that made the Stage 1 decision. The adjudicator will consider the case in depth. They will:

- Reconsider the original decision, taking full account of the facts of the case, including any evidence submitted or relied on by either party at Stage 1.
- Check the regulations have been properly applied.
- Check that impartial procedures were used to reach the decision.

An outcome will be notified in writing. If the employee remains unhappy with the decision at Stage 2 they may write to the Pensions Ombudsman enquiries@pensions-ombudsman.org.uk . The Pensions Ombudsman is completely independent and acts as an impartial adjudicator.

## **7. MONITORING COMPLIANCE WITH AND EFFECTIVENESS OF THE POLICY**

Effectiveness and compliance of this statement will be monitored by the HR and Finance Departments. The Executive Team will oversee the application of this policy, monitoring the outcomes and impact of this policy on a regular basis. The statement will be reviewed within 3 years of the date of implementation. The Fund will be informed of any revisions to this statement within one month of the revised policy taking effect.

**Appendix of policy updates following each review**

**July 2024**

The LGPS Discretions Statement is due for review. It works and amendments are minimal