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### 1. **Purpose:**

This statement sets out the policy of Community Inclusive Trust for application of the Employer's Discretions contained within the Local Government Pension Scheme Regulations.

### 2. **Scope:**

This statement of policy applies to employees of Community Inclusive Trust who are members of the Local Government Pension Scheme 'LGPS' and should be read in accordance with the Local Government Pension Regulations relating to the pension fund for which the employee is eligible.

This policy outlines how the Trust will exercise a number of discretions under the LGPS in England and Wales which was amended from 1 April 2014. The provisions of the new LGPS, together with protections for members' benefits accrued before 1 April 2014, are now contained in the Local Government Pension Scheme Regulations 2013 (the '**LGPS Regulations 2013**'), the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (the '**LGPS Transitional Regulations 2014**') and the Local Government Pension Scheme (Amendment) Regulations 2018 ('**LGPS Amendment Regulations 2018**').

### 3. **Responsibilities:**

- 3.1. It is the responsibility of the Trust to exercise its discretionary powers reasonably. The discretionary powers will:
  - 3.1.1. be exercised in the public interest;
  - 3.1.2. not be used for an ulterior motive;
  - 3.1.3. be used with regard to all relevant factors (Costs to the Trust will be balanced against benefit for the Trust);
  - 3.1.4. only be used where there is a real and substantial benefit to the trust in return for incurring extra costs;
  - 3.1.5. only be used having considered the views of the scheme Actuary; and
  - 3.1.6. be duly recorded when used.
- 3.2. The Trust will also consider the views of the pensions administering authority, currently West Yorkshire Pension Fund and Leicestershire Pension Fund.

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- 3.3. In support of its deliberations regarding requests made on compassionate grounds, the Trust will take into account all relevant factors and require whatever information, documentation and supporting evidence it considers appropriate.
- 3.4. The employer discretionary powers will be exercised having regard to the extent to which the exercise of any policy discretion would lead to a serious loss of confidence in the public service.

#### **4. Health & Safety Statement:**

- 4.1. DSE and other ICT equipment should conform to the Trusts H&S policies for safe working practices.

#### **5. Discretionary Policy Statement:**

- 5.1 **Shared Cost Additional Pension Scheme – Regulations 16(2)(e) and 16(4)(d) of the 2013 Regulation.** An employer can choose to pay for or contribute towards a members Additional Pension contract via a Shared Cost Additional Pension Contract (SCAPC).
  - 5.1.1 As a general rule, the Trust's policy is not to exercise this discretion but the Community Inclusive Trust will consider individual cases on their merits having regard to the cost to the Trust. Any application must be supported by a business case in writing.
- 5.2 **Awarding Additional Pension – Regulation 31 of the 2013 Regulations.** An employer can choose to grant additional pension to an active member by reason of redundancy or business efficiency (upto £6,500 per annum as at 1 April 2014 – this figure is inflation proofed annually).
  - 5.2.1 As a general rule, the Trust's policy is not to exercise this discretion, but it will consider individual cases on their merits and having regard of the cost to the Trust.
- 5.3 **Flexible Retirement – Regulations 30(6) of the 2013 Regulations and Regulation 11(2) of the 2014 Regulations.** Employers may allow a member from age 55 onwards to draw all or part of the pension benefits they have already built up while still continuing in employment. This is subject to the employer agreeing to the member either reducing their hours or moving to a position on a lower grade. In such cases, pension benefits will be reduced in accordance with actuarial tables, unless the employer waives reduction on compassionate grounds or a member has protected rights.
  - 5.3.1 When exercising its discretion in relation to flexible retirement, the Trust will look at its operating requirements; have regard to pension fund members' individual circumstances and the impact on services of granting flexible retirement together with the cost to the Trust.

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- 5.3.2 As a general rule, the Trust will only grant flexible retirement to members where there is, in the opinion of the Trust, a financial or operational benefit to the Trust in granting the member's request for flexible retirement.
- 5.3.3 As a general rule, the Trust's policy is not to exercise this discretion but will consider individual cases on their merits having regard to the cost to the Trust.
- 5.3.4 Any application by a scheme member must be supported by a business case in writing.
- 5.3.5 The Trust will not as a general rule, exercise its discretion to waive any actuarial reduction in benefits although each case will be considered on its merits.

**5.4 Waiving Actuarial Reductions – Regulation 30(8) of the 2013 Regulations.**

Employers have the power to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members benefits paid on the grounds of flexible retirement. Employers may also waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to a members benefits for deferred members and suspended tier 3 ill health pensions who elect to draw benefits on or after age 60 and before normal pension age. Employers also have the power to waive (in whole or part) the actuarial reduction applied to active members benefits when a member chooses to voluntarily draw benefits on or after age 55 and before age 60.

- 5.4.1 As a general rule, the Trust's policy is not to exercise these discretions but it will consider individual cases on their merits having regard to the compassionate grounds of individual members and having regard to the cost to the Trust.

**5.5 Switching on the 85 rule – Schedule 2, paragraphs 1(1)(c), 2(2) and 2(3) of the Transitional Regulations 2014.** An employer can choose whether to 'switch on' the 85 year rule for members who voluntarily retire on or after age 55 and before age 60. An employer can also choose to waive, on compassionate grounds, the actuarial reduction applied to benefits for a member voluntarily drawing benefits on or after age 55 and before 60.

- 5.5.1 The Trust's policy is not to switch on the 85 year rule or, as a general rule, to exercise the discretion to waive on compassionate grounds the actuarial reduction but the Trust will consider individual cases on their merits and financial implication to the Trust.

**6. Issuing Terms:**

- 6.1. A copy of this document if being published on the Trust's website and has been sent to WYPF and Leicestershire Pension Fund as the appropriate pension administering authorities. In preparing this policy statement we have had regard to the extent to which the exercise of the functions mentioned in this policy could lead to a serious loss of confidence in the public sector. We are satisfied that our adopted policies

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would not lead to any such loss of confidence and that the policy individually and generally is workable, affordable and reasonable having regard to foreseeable costs.

### 7. **References:**

7.1. Local Government Pension Scheme Discretionary Policy for C.I.T. Academies.

### 8. **Acronyms:**

8.1. LGPS – Local Government Pension Scheme

8.2. WYPF – West Yorkshire Pension Fund

### 9. **External References:**

9.1. West Yorkshire Pension Fund Website - <http://www.wypf.org.uk/Index.aspx>

9.2. Local Government Pension Regulations and Guidance - <https://www.lgpsregs.org/>

9.3. Leicestershire Pension Fund Website - <https://www.leicestershire.gov.uk/jobs-and-volunteering/local-government-pensions>

### 10. **Amendments to the Document:**

10.1. This is the first iteration of this document and as such there are no amendments.

10.2. This is the annual review of the policy and has been amended to include the Leicestershire Pension Fund.

Written By:	Rachel Smith	Reviewed By:
Signed:	<i>Rachel Smith</i>	Signed:
Date:	4 <sup>th</sup> August 2020	Date: