

Mitie Group PLC

**LOCAL GOVERNMENT PENSION
SCHEME REGULATIONS 2014**

**EMPLOYER DISCRETIONS
POLICY STATEMENT**

Discretions of the Employing Authority

COMPULSORY DISCRETIONS		
Main Purpose of Regulation	Regulation	Discretion Exercised
Funding of Additional Pension through a Shared Cost Additional Pension Contribution - Where an active Scheme member wishes to purchase extra annual pension up to the maximum by making Additional Pension Contributions (APCs), the employer may choose to (voluntarily) contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).	Regulation 16 (2)(e) and/or 16 (4)(d)	Each case will be decided on its individual merits. Mitie will exercise discretion to allow late payment.
Flexible Retirement - This regulation allows the employer to consent to the early release of all, or part, of a member's LGPS benefits provided they have also consented to the reduction of hours worked or grade in which the member is employed. The member must be aged 55 or over.	Flexible retirement, Regulation 30 (6)	Mitie will not have a general policy of exercising this discretion but may exercise this discretion where a sound business case can be made for granting flexible retirement with immediate access to all or part of the member's benefits. Mitie will consider requests on a case by case basis.
Waiving of actuarial reduction - This regulation allows the employer to consent to the early	Regulation 30 (8)	Mitie will not waive, in whole or in part, the actuarial reduction on the benefits paid on flexible retirement.

COMPULSORY DISCRETIONS		
Main Purpose of Regulation	Regulation	Discretion Exercised
release of all, or part, of a member's LGPS benefits provided they have also consented to the reduction of hours worked or grade in which the member is employed. The member must be aged 55 or over.		
<p>Switching on the 85-year rule for members voluntarily drawing benefits on or after age 55 and before age 60 -</p> <p>Whilst the 85-year rule does not automatically apply in full if the employee decides to voluntarily draw benefits on or after age 55 and before age 60, this regulation allows the employer to switch the rule back on.</p> <p>If the employer switches on the 85-year rule they will pick up any strain on Fund cost.</p>	Schedule 2 of the Transitional Regulations.	Mitie will not have a general policy of granting early payment of benefits on or after age 55 and before age 60 but will consider requests on a case by case basis. Mitie may exercise this discretion where a sound business case can be made for doing so or where other exceptional circumstances arise that make payment of those benefits justifiable.
The power of employing authority to award additional pension - this regulation allows an employer to resolve to award a member an amount of additional pension, up to the LGPS maximum, to an active	Regulation 31	Mitie will not have a general policy to grant additional pension to a member (by up to the annual pension limit) but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.

COMPULSORY DISCRETIONS		
Main Purpose of Regulation	Regulation	Discretion Exercised
scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.		

OPTIONAL DISCRETIONS		
Main Purpose of Regulation	Regulation	Discretion Exercised
Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1/4/14 and post 31/3/14 membership) a) on compassionate grounds (pre 1/4/14 membership) and / or, in whole or in part on any grounds (post 31/3/14 membership) if the member was not in the Scheme before 1/10/06, b) on compassionate grounds (pre 1/4/14 membership) and / or, in whole or in part on any	TP3(1), TPSch 2, para 2(1) & B30(5) & B30A(5)	Mitie will not have a general policy to waive, in whole or in part, the actuarial reduction on benefits paid before normal pension age but may exercise this discretion where a sound business case can be made in the particular circumstances. Mitie will consider requests on a case by case basis

<p>grounds (post 31/3/14 membership) if the member was in the Scheme before 1/10/06, will not be 60 by 31/3/16 and will not attain 60 between 1/4/16 and 31/3/20 inclusive c) on compassionate grounds (pre 1/4/16 membership) and / or, in whole or in part on any grounds (post 31/3/16 membership) if the member was in the Scheme before 1/10/06 and will be 60 by 31/3/16 d) on compassionate grounds (pre 1/4/20 membership) and / or, in whole or in part on any grounds (post 31/3/20 membership) if the member was in the Scheme before 1/10/06, will not be 60 by 31/3/16 and will attain 60 between 1/4/16 and 31/3/20 inclusive</p>		
<p>Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 (member)</p>	<p>B30(5), TPSch 2, para 2(1)</p>	
<p>Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A (pensioner member with deferred benefits, i.e. a</p>	<p>B30A(5), TPSch 2, para 2(1)</p>	

suspended tier 3 ill health pensioner)		
Grant application for early payment of deferred benefits on or after age 50 and before age 55	L31(2)	
Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early	L31(5) & TPSch 2, para 2(1)	
Whether to “switch on” the 85 year rule for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60	TPSch 2, para 1(2) & 1(1)(f) & R60	Mitie will not have a general policy of granting early payment of benefits on or after age 55 and before age 60 but will consider requests on a case by case basis. Mitie may exercise this discretion where a sound business case can be made for doing so or where other exceptional circumstances arise that make payment of those benefits justifiable.
Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds	TP3(5A)(vi) TL4 & L106(1) & D11(2)(c)	Mitie will not have a general policy to waive, in whole or in part, the actuarial reduction on benefits paid before normal pension age but may exercise this discretion where a sound business case can be made in the particular circumstances. Mitie will consider requests on a case by case basis
Allow late application of conversion of scheme AVCs into membership credit (where the AVC arrangement was entered into before 13 November 2001)	TP15(2A)(b); T Sch 1; L66(8) and former L66(9)	Mitie will not have a general policy to allow conversion of scheme AVCs into membership credit but may do so in exceptional circumstances. Each case will be considered on its individual merits.

Extend normal time limit for acceptance of a transfer value beyond the 12 month time limit from joining the LGPS	100(6)	Mitie will not generally extend the normal time limit for acceptance of a transfer value beyond 12 months from joining the scheme but may do so where exceptional circumstances can be proved. In any event the maximum extension will be a period of two years from the member's date of joining the scheme. Each case will be considered on its individual merits.
Whether, and in what circumstances, to contribute to a shared cost AVC scheme.	17	Mitie does not wish to exercise this discretion.
No right to a return of contributions due to an offence of a fraudulent character or grave misconduct unless the employer directs a total or partial refund is to be made	18; 19(1)(b) & (2)	Mitie will exercise this discretion to direct a return of contributions in the event of an offence of a fraudulent character or grave misconduct.
Whether to apply to Secretary of State for forfeiture certificate (where a member is convicted of a relevant offence) and subsequently whether to direct that benefits are to be forfeited.	91	Mitie will apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited.
Whether to recover from the fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs / APCs) where the obligation was as a result of a criminal,	93(2)	Mitie will recover from South Yorkshire Pension Fund the amount of loss in cases of criminal, negligence or fraudulent acts by a member.

negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left the employment.		
Agree to bulk transfer payment	98(1)(b)	Mitie will consult with South Yorkshire Pension Fund and the fund actuaries in this regard.
Whether, how much, and in what circumstances to contribute to a shared cost “additional pension contributions” (“APCs”) arrangement Whether to allow a late application by the member to pay optional contributions for a period of unpaid child related leave, strike or unpaid leave of absence beyond 30 days and whether the employer will fund such contribution in whole or in part.	16(2)(e); 16(4)(d)(*); 16(16)	Each case will be decided on its individual merits. Mitie will exercise discretion to allow late payment.

Date Revised	Date Approved	Summary of Changes	Author