

**Mercia Learning Trust**

**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)	Mercia Learning Trust will not contribute to a shared cost contribution scheme.
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)	<p>Mercia Learning Trust will consider each application individually and a decision will be made on the merits of each case. In reaching a decision, the Trust will consider:</p> <ul style="list-style-type: none"> <li>• The operating requirements of the Trust – applications will only be approved if there is a suitable post that the employee can 'step down' into and it can be demonstrated that this is in the interests of the Trust</li> <li>• Approval of any application for either full or partial flexible retirement will only be considered on a cost neutral basis. For the avoidance of</li> </ul>

COMPULSORY DISCRETIONS		
Main Purpose of Regulation	Regulation	Discretion Exercised
		<p>any doubt, the Trust will neither waive any actuarial reduction that would otherwise apply to the retirement benefits, nor accept cases that would result in pension fund strain costs being incurred.</p> <ul style="list-style-type: none"> <li>• The employee must make a permanent reduction to their contractual hours</li> <li>• The member's personal circumstances</li> </ul>
<p>Waiving of actuarial reduction - 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.</p>	<p>Regulation 30 (8)</p>	<p>Mercia Learning Trust will consider applications made under this Regulation. Decisions will be made on the merits of each case having particular regard to:</p> <ul style="list-style-type: none"> <li>• Mercia Learning Trust's ability to meet the cost of granting such a request</li> <li>• Whether any demonstrable cost saving in excess of potential savings available under any severance</li> <li>• Arrangements in place from time-to-time can be made</li> <li>• The member's personal circumstances</li> </ul> <p>The Trust will not authorise early release of benefits below age 60 where a strain cost would arise unless the former employee is either the primary carer of a dependent relative or requires social care themselves.</p> <p>Applications for the payment of unreduced benefits for service before 1 April 2014 on the grounds of compassion will be considered if:</p>

COMPULSORY DISCRETIONS		
Main Purpose of Regulation	Regulation	Discretion Exercised
		<ul style="list-style-type: none"> <li>• In the Trust's sole opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided, justify approval</li> <li>• Mercia Learning Trust can meet the cost of granting such a request</li> </ul>
<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.	<p>Mercia Learning Trust will consider applications made under this Regulation in exceptional circumstances. Decisions will be made on the merits of each case having particular regard to:</p> <ul style="list-style-type: none"> <li>• Mercia Learning Trust's ability to meet the cost of granting such a request – requests should be clearly evidenced in a business case that it is in the interests of the Trust and the costs associated with the early release of pension benefits are affordable</li> <li>• Whether any demonstrable cost saving in excess of potential savings available under any severance arrangements in place from time-to-time can be made</li> <li>• The member's personal circumstances</li> </ul>
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	Regulation 31	The Trust will not grant additional pension.

COMPULSORY DISCRETIONS		
Main Purpose of Regulation	Regulation	Discretion Exercised
maximum, 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.		

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)	

<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	
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)	

Date Revised	Date Approved	Summary of Changes	Author