

XP 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)	<p>The trust does not consider contribution towards additional pension contributions to be an essential part of its employment strategy. However, the trust will consider applications made under these specific provisions having regard to the following:</p> <ul style="list-style-type: none"> • the trust's general policy from time to time • the employee pay strategy • the particular circumstances of each individual case. <p>It is likely that decisions will be made on the merits of all applications having taken appropriate account of factors such as the trust's ability to meet the cost of granting such a request and/or the member's personal circumstances.</p>
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>The Trust will not agree to flexible retirement except in circumstances where we consider it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and / or operational business case put forward.</p> <p>The Trust can decide whether to permit a member who has attained the age of 55 to draw all or part of their retirement benefits (both</p>

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		<p>pension and lump sum) whilst continuing in employment and fund membership provided that:</p> <ul style="list-style-type: none"> • there has been a minimum, permanent reduction in hours of 40%; or • there has been a reduction in at least one grade. <p>In exercising its discretion, the trust will consider applications made under this regulation having regard to the particular circumstances of each individual case. Decisions will be made on the merits of the case having taken appropriate account of the following factors:</p> <ul style="list-style-type: none"> • the operating requirements of the employing department/school • the trust's ability to meet the cost of granting such a request • whether any demonstrable cost saving can be made in excess of potential savings available under any severance arrangements in place from time to time • the member's personal circumstances • whether to permit the member to choose to draw all, part, or none of the pension benefits they have built up after 1 April 2008. <p>Where flexible retirement is agreed, the benefits payable will be subject to any actuarial reduction applicable</p>

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		<p>under the Local Government Pension Scheme Regulations and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.</p> <p>The Trust will only waive any such reduction, in whole or in part, where it considers it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and / or operational business case.</p>
<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>Where members choose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age, the trust 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 we consider it is in its financial or operational interests to do so or there are compelling compassionate reasons for doing so. Each case:</p> <ul style="list-style-type: none"> • will be considered on the merits of the financial and / or operational business case put forward, or • will be considered on the merits of the compassionate case put forward, and • will require the approval including, where the reduction is only to be waived in part, approval for the amount of reduction to be waived.

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<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>	<p>Schedule 2 of the Transitional Regulations.</p>	<p>The trust 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 except in circumstances where we consider it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and / or operational business case put forward.</p> <p>In considering applications made under this regulation having regard to the particular circumstances of each individual case. Decisions will be made on the merits of the case having taken appropriate account of the following factors:</p> <ul style="list-style-type: none"> the trust's ability to meet the cost of granting such a request whether any demonstrable cost saving can be made in excess of potential savings available under any severance arrangements in place from time to time the member's personal circumstances.
<p>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 scheme member or within</p>	<p>Regulation 31</p>	<p>Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency up to the maximum under LGPS regulations</p> <p>The trust will not make use of the discretion to grant extra annual</p>

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6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.		<p>pension to an active scheme member or, within 6 months of leaving, to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency except in exceptional circumstances where we consider it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and / or operational business case put forward.</p> <p>The trust will not make use of the discretion to grant extra annual pension to an active Scheme member except in exceptional circumstances where we consider it is in its financial or operational interests to do so. Therefore, the trust will consider applications made under this regulation having regard to the particular circumstances of each individual case. Decisions will be made on the merits of the case having taken appropriate account of the following factors:</p> <ul style="list-style-type: none"> • the member's personal circumstances • the interests of the trust • the additional contributions due to the pensions fund from the trust in respect of the exercise of this discretion • any potential benefits or savings to the trust arising

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		<p>from the exercise of this discretion</p> <ul style="list-style-type: none"> • other options that are, from time to time, available under the trust's severance arrangements • the funding position of the trust within the pensions fund • the ability of the trust to meet the cost of granting such an award.

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	TP3(1), TPSch 2, para 2(1) & B30(5) & B30A(5)	

<p>membership) and / or, in whole or in part on any 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</p>	<p>B30A(5), TPSch 2, para 2(1)</p>	

deferred benefits, i.e. a 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