



Employer Discretions Policy

Employer name: The Hamwic Education Trust
Employer number: 1063
Policy effective from: 1 September 2017

Please note that this policy also covers the following Trusts and schools within:

- The Hamwic Trust
- The Jefferys Education Trust
- The Hillary Trust

Statement of policy

on the Local Government Pension Scheme Regulations (LGPS) 2013 and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

This document sets out the scheme employer's policy on the operation of each of the compulsory discretions (and optional discretions where chosen) available under the LGPS Regulations. It states whether or not discretions will be operated and the circumstances and criteria for applying them, in relation to active and deferred members of the LGPS.

PART A - Compulsory Discretions

Power to award additional pension (Regulation 31)

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 (by up to £6,675 p.a.)

An employer may resolve to grant extra pension of up to £6,675 (figure at 1 April 2017) 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.

Employer Policy Decision

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 to the cost to the Trust.

Any application for additional pension must be supported by a business case in writing to:

Head of HR
Hamwic Education Trust
Unit E, The Mill Yard
Nursling Street
Southampton
SO16 0AJ

Shared cost additional pension contributions (Regulation 16(2e) (4d))

Whether, how much, and in what circumstances to contribute to a shared cost APC scheme

Where an active scheme member has decided to make Additional Pension Contributions (APCs) to purchase extra pension benefits up to £6,500 per annum (figure as at 1 April 2014), the employer can resolve to voluntarily contribute towards the cost of this.

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

Employer Policy Decision

As a general rule, the Trust’s policy is not to exercise this discretion but the 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 to:

Head of HR
Hamwic Education Trust
Unit E, The Mill Yard
Nursling Street
Southampton
SO16 0AJ

Power to allow flexible retirement (Regulation 30 (6))

Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)

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 employment. This is provided the employer agrees 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 the reduction either fully or in part or a member has protected rights.

Please be aware, if you allow members to retire under flexible retirement, and they meet the 85 year rule between the ages of 55 and 60, there may be a cost to the employer as there is no option to switch the 85 year rule off in this instance.

Employer Policy Decision

When exercising its' discretion in relation to flexible retirement, the Trust will consider 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.

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.

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.

Any application by a scheme member must be supported by a business case in writing to:

Head of HR
Hamwic Education Trust
Unit E, The Mill Yard
Nursling Street
Southampton
SO16 0AJ

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 (see further below).

Waiving of actuarial reductions - Regulation 30(8) (2013 Regs) - Regulation 30(5) (2013 Regs) - and 30(5) and 30A(5) (2007 Regs) - Regulation 3(1) and (5) (TP2014 Regs)

Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age (where the member only has post 31/3/14 membership)

Employers can agree to waive any actuarial reductions due in the case of employees retiring anytime after age 55. This does not have to be due to 'compassionate' reasons and the situation differs according to the group of member the person is classified as for 85 Year Rule purposes. See [Employer discretions](#) for more information.

If this discretion is used, the employer will pick up the cost of waiving reductions as an immediate strain cost payment.

Employer Policy Decision

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.

Switching on the 85year rule (LGPS Regulations 2014 (Transitional provisions, savings and amendments - paragraph 2 (2) of schedule 2))

Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.

Employees are able to voluntarily retire between 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.
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.
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.
This discretion does not apply to flexible retirement (see [Regulation 30\(6\)](#)) whereby the 85 year rule is always switched on.

Employer Policy Decision

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. The Trust will, however, consider individual cases on their merits and having regard to the cost to the Trust.

Any application must be supported by a business case in writing to:

Head of HR
Hamwic Education Trust
Unit E, The Mill Yard
Nursling Street
Southampton
SO16 0AJ

Post - 31 March 2008 / pre - 1 April 2014 leavers early payment of pension - Regulation B30 (2) (5).B30A.(3).(5)

Whether to allow the early payment of pension to deferred members who left the scheme post 31 March 2008/Pre 1 April 2014

An employer can allow the early payment of deferred benefits to those with pre 2014 benefits between ages 55 and 59. They may also allow early payment of pensions to former employees who were in receipt of a tier 3 ill health pension which has since been suspended.

In such cases, pension benefits will be reduced in accordance with actuarial tables unless the employer waives the reduction on compassionate grounds or a member has protected rights.

Employer Policy Decision

As a general rule, the Trust's policy is not to exercise this discretion but the 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 to:

Head of HR
Hamwic Education Trust
Unit E, The Mill Yard
Nursling Street
Southampton
SO16 0AJ

- This policy and discretions may be subject to review from time to time. Any subsequent change in this Policy Statement will be amended and available on the HET website.
- Any changes to this policy will be notified to the Hampshire Pension Fund within 30 days of the change.

For the full list of discretions policies go to [LGA Discretions](#)

Signed on behalf of:

Completed by:

Position:

Signature:

Date:

--	--	--	--	--	--	--	--	--	--

PART B - Optional Discretions

(The two detailed are the most frequently used Regulations, but remain optional – see [LGA Discretions](#) for the full list of optional employer discretions)

Membership Aggregation Regulation 22 (7)(b),(8)(b)

Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with an ongoing concurrent employment

If a member has previous LGPS membership they will need to make a decision about whether it is combined with their new LGPS membership

The election to keep separate pension benefits must be made within 12 months of becoming an active member, who must be active at the date of election.

An employer may allow a period longer than 12 months

Employer Policy Decision

Transfers of Pension Rights Regulation 100(6)

Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS

Where an active member requests to transfer previous pension rights into the LGPS, the member must make a request within in 12 months of becoming an active member.

An employer may allow a longer period than 12 months

Employer Policy Decision

Signed on behalf of:

Completed by:

Position:

Signature:

Date:

--	--	--	--	--	--

DRAFT