



# The Consortium Trust

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## Local Government Pension Scheme Policy Statement

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## **Statement of Intent**

Under the Local Government Pension Scheme (LGPS), The Consortium Trust is required to compose, publish and keep under review a policy statement in relation to the exercising of a number of discretions under the LGPS.

To ensure value for money and financial stability, The Consortium Trust has adopted an approach that befits the size, finances and current staffing levels at our member school. In addition, the decisions regarding the discretionary powers have been taken to ensure the affordability of the scheme to all members.

These are the employer discretions subject to written policy under the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (transitional Provisions and Savings) Regulations 2014 and the Local Government Pension Scheme (Benefits, Membership and Contributions) regulations 2007.

The Consortium Trust is committed to equality and this policy has been created in accordance with anti-discrimination laws, the Equality Act 2010 and with regard to age regulations.

In addition to the above, the Trust is required to adhere to a number of provisions and to create and implement effective procedures for the administration of the LGPS scheme.

These duties and procedures are established in detail in this Policy.



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## **1. LGPS 2014 overview**

1.1. The LGPS 2014 is a Career Average Revalued Earnings (CARE) scheme.

### **1.2. Accrual rate**

1.2.1. The accrual rate is 1/49<sup>th</sup>.

### **1.3. Revaluation rate**

1.3.1. The revaluation rate is based on the Consumer Price Index (CPI).

### **1.4. Pensionable pay**

1.4.1. Pay, including non-contractual overtime and additional hours for part-time staff, is classed as pensionable pay.

### **1.5. Contribution flexibility**

1.5.1. There is contribution flexibility with a 50/50 option.

### **1.6. Normal Pension Age**

1.6.1. The normal pension age is equal to the member's State Pension Age (minimum 65).

### **1.7. Lump sum trade off**

1.7.1. A trade off of £1 annual pension for £12 lump sum is available.

### **1.8. Death in service lump sum**

1.8.1. The death in service lump sum is 3x pensionable pay.

### **1.9. Death in service survivor benefits**

1.9.1. A 1/160<sup>th</sup> accrual rate based on Tier 1 ill health pension enhancement.

### **1.10. Ill health provision**

1.10.1. Tier 1 – immediate payment with service enhanced to Normal Pension Age

1.10.2. Tier 2 – immediate payment of pension with 25% service enhancement to Normal Pension Age.

1.10.3. Tier 3 – temporary payment of pension for up to 3 years.

### **1.11. Indexation of pension in payment**

1.11.1. The LGPS indexation of pension in payment is based on CPI.

### **1.12. Vesting period**

1.12.1. The LGPS has a vesting period of 2 years.

### **1.13. Administering authority details**

1.13.1. The administering authority for The Consortium Trust is SCC for our Suffolk Schools and NCC for our Norfolk Schools

### **1.14. Actuary details**

1.14.1. The actuary for The Consortium Trust is Hymans



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## **2. Key roles and responsibilities**

- 2.1. The Trust Board has overall responsibility for the implementation and monitoring of the LGPS Discretionary Policy at The Consortium Trust.
- 2.2. The Trust Board has responsibility for ensuring that the LGPS Discretionary Policy, as written, does not discriminate on any grounds, including but not limited to: age, ethnicity/national origin, culture, religion, gender, disability or sexual orientation.
- 2.3. The Trust Board has overall responsibility for handling complaints regarding this policy as outlined in the Trust's Complaints Policy.
- 2.4. In the first instance, complaints should be directed to the Trust's Head of Service for People.
- 2.5. The CEO has responsibility for the day-to-day implementation and management of the LGPS Discretionary Policy at The Consortium Trust.
- 2.6. The CEO is responsible for monitoring overtime worked and for initiating review procedures as necessary (delegated to Academy Heads as per the Scheme of Delegation).
- 2.7. Staff members enrolled on the LGPS will be responsible for following the LGPS Discretionary Policy.

## **3. Discretionary decisions**

- 3.1. The Trust, as an LGPS Employer, is legally required to provide employees and LGPS scheme members with information regarding their decision to include or omit the following discretions in their LGPS scheme:
  - 3.1.1. Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).
  - 3.1.2. Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.
  - 3.1.3. Whether to grant application for early payment of benefits on or after age 55 and before age 60 (for both active and deferred members).
  - 3.1.4. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early.
  - 3.1.5. Whether to grant an application for the reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60.
  - 3.1.6. Whether to waive, on compassionate grounds, the actuarial reduction applied to the reinstatement of a suspended tier 3 ill health pension paid early (i.e. on or after age 55 and before age 60).
  - 3.1.7. Whether the School will adopt a discretionary injury benefit scheme.



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3.1.8. Whether the School will permit late inward transfer of pension rights.

## **4. Funding of Additional Pension: Regulation 16(2e) 16(4d)**

4.1. The Trust may agree, at its own cost, to fund wholly, or in part, a member's additional pension contract. The payment can be paid by regular contributions or a lump sum.

4.2. The Trust will only consider doing so in cases where there is a clear financial or administrative advantage to the Trust.

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

5.1. The Trust may agree, at its own cost (if there is any) for a member aged 55 or over, who reduces their grade, hours of work, or both, to receive all or part of their LGPS benefits immediately, even though they have not left the Trust's employment.

5.2. The Trust will only consider doing so in cases where there is a clear financial or administrative advantage to the Trust.

## **6. Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement**

6.1. If the benefits on flexible retirement would normally be reduced for early payment, the Trust may agree, at its own cost, to waive all or part of the reduction.

6.2. The Trust will only consider doing so in cases where there is a clear financial or administrative advantage to the Trust.

## **7. Whether to grant application for early payment of benefits on or after age 55 and before age 60 (for both active and deferred members)**

7.1. The Trust may agree, at its own cost, for a member aged 55 or over, who leaves its employment without an automatic entitlement to immediate LGPS benefits, to receive their benefits immediately.

7.2. The Trust will only consider doing so in cases where there is a clear financial or administrative advantage to the Trust.

## **8. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early**

8.1. If the benefits payable in such cases would normally be reduced for early payment, the Trust may agree, at its own cost, to waive all or part of the reduction if there were compassionate grounds for doing so.

8.2. The Trust will consider any cases arising on their individual merits.



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- 8.3. Decisions regarding the waiving of actuarial reductions are delegated to CEO and the Finance and Resources committee of the Trust Board.
- 9. Whether to grant an application for the reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60**
- 9.1. **For current employees** – where there is no financial or operational disadvantage to the Trust, or where unforeseen circumstances might result in the employee suffering personal hardship, a request for early payment of benefits will normally be accepted.
- 9.2. It will require the prior recommendation of the CEO and the Finance and Resources committee of the Trust Board.
- 9.3. **For former employees** – where there is no financial or operational disadvantage to the Trust, a request for early payment of deferred benefits will normally be accepted (other than on the grounds of permanent ill-health or compassion).
- 9.4. It will require the prior recommendation of the CEO and the Finance and Resources committee of the Trust Board.
- 10. Whether to waive, on compassionate grounds, the actuarial reduction applied to the reinstatement of suspended tier 3 ill health pension paid early (i.e. on or after age 55 and before age 60)**
- 10.1. Only in cases where unforeseen circumstances will result in severe and lasting personal hardship will a request for early unreduced payment of benefits on compassionate grounds from a retiring employee be considered.
- 10.2. It will require the prior recommendation of the CEO and the Finance and Resources committee of the Trust Board.
- 11. Whether the Trust will permit late inward transfer of pension rights**
- 11.1. The Trust will consider extending the time limit of 12 months for employees to transfer the value of a previous pension scheme if there is clear evidence that they had not been informed of, or could not reasonably have known, the time limit.
- 11.2. The Trust will also consider extending the time limit for late inward transfers where there is evidence of significant administrative delays.
- 11.3. Decisions regarding the acceptance of late inward transfers are delegated to the CEO and the Finance and Resources committee of the Trust Board.



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## 12. LGPS member records

- 12.1. The Trust Finance and HR Manager is responsible for maintaining a clear and up-to-date record of all Trust staff enrolled on the LGPS scheme.
- 12.2. The record will record details of each member's:
  - 12.2.1. Full name.
  - 12.2.2. National Insurance number.
  - 12.2.3. Current full-time equivalent (FTE) salary.
  - 12.2.4. Hours and weeks worked.
  - 12.2.5. Contact details for payroll and HR use.

## 13. Salary reviews in light of staff overtime

- 13.1. From 1 April 2014, overtime is classed as pensionable pay. In response, the Trust is required to introduce additional measures to ensure employee and employer payment percentages are correct and pension payments are fair and accurate.
- 13.2. To ensure fairness and clarity, the CEO and the Finance and Resources committee of the Trust Board will review staff salaries as necessary in light of overtime acquired, this is delegated to the Academy Head as outlined in the Scheme of Delegation.
- 13.3. The maximum period of time between salary reviews for staff at The Consortium Multi Academy Trust is 12 months.

## 14. Awarding Additional Pension : Regulation 31

- 14.1. The Trust may increase a member's benefits by awarding additional pension up to a maximum of £6,500 per annum. This amount is subject to an annual increase and the cost would fall to the Trust.

## 15. Support

- 15.1. **Suffolk Pension Fund provides support for the LGPS scheme locally.** Contact details as follows:

Website: [www.suffolk.gov.uk/pensions](http://www.suffolk.gov.uk/pensions)  
[www.lgps.org.uk](http://www.lgps.org.uk)

Email: [pensions@csduk.com](mailto:pensions@csduk.com)  
Tel: **08456 05 3000**

- 15.2. **Norfolk Pension Fund provides support for the LGPS scheme locally.** Contact details as follows:

Website: [www.norfolkpensionfund.org](http://www.norfolkpensionfund.org)  
[www.lgps.org.uk](http://www.lgps.org.uk)

Email: [pensions@norfolk.gov.uk](mailto:pensions@norfolk.gov.uk)  
Tel: **01603 495923**



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## Document Control

### Changes History

Version	Date	Amended By	Details of Change
2	09/12/19	Lisa Jones	Addition of regulation 31

### Approval

Name	Job Title	Signed	Date
Andrew Aalders-Dunthorne	Principal/CEO	Electronic signature	21/09/17
Dawn Carman-Jones	On behalf of the Trust Board	Electronic signature	28/09/17

### Equality Impact Assessment

Date	Name	Details

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