

The Acorn Education Trust
Local Government Pension Scheme
Employer Discretions Policy LGPS 2015

1. Statement of Intent

Under the Local Government Pension Scheme (LGPS) Regulations, The Acorn Education 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 Acorn Education Trust (the Trust) has adopted an approach that befits the size, finances and current staffing levels of the schools within the Trust. In addition, the decisions regarding the discretionary powers have been taken to ensure the affordability of the scheme to all members.

The Acorn Education 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 administration of the LGPS scheme.

These duties and procedures are detailed in this policy.

2. Discretionary Decisions

1.1. The Acorn Education 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:

	Discretion	Regulation	Employer Policy
1a	Whether to grant additional pension to a member (by up to £6,500 p.a.).	<i>Reg 31</i>	The Acorn Education Trust will not exercise this discretion
1b	Whether to make either a regular or lump sum Additional Pension Contribution (APC) to a member's account (part or whole funding this) [Note: this discretion only relates to cases when the member is working as normal rather than absent from work with permission but no pensionable pay – in the latter scenario, employers must fund it if necessary.]	<i>Reg 16(2)e & Reg 16(4)d</i>	The Acorn Education Trust will only exercise this discretion in exceptional circumstances. This discretion will only be exercised with the expressed position of the Trust's Finance Committee after consideration of the costs that would apply.
1c	Whether all or some pension benefits can be paid if a member aged 55 or over reduces their hours/grade and continues to work ("flexible retirement")	Reg 30(6)	The Acorn Education Trust will consider requests from employees to take flexible retirement on a case by case basis after careful consideration of factors such as service delivery and any costs to The Trust. Flexible retirement must be approved by the Trust's Finance Committee following receipt of a written business case.
1d	Waiving actuarial reduction on flexible retirement	Reg 30(8)	The Acorn Education Trust will not normally exercise this discretion, but consideration may be given in exceptional circumstances after consideration of the costs that would apply.
1e	Waiving actuarial reduction on early retirement (age 55+) – for both active, deferred members & suspended tier 3 ill health pensions	Reg 30(8)	The Acorn Education Trust will not normally exercise this discretion, but consideration may be given in exceptional circumstances after consideration of the costs that would apply.

1f	Whether to allow the rule of 85 to be “switched on” for members who would normally meet the rule but who will not if they draw the benefits age 55-59	TP Regs 1(1)(c) of Schedule 2	The Acorn Education Trust will only agree to “switch on” the rule of 85 in exceptional circumstances following approval from the Trust’s Finance Committee after considering the costs that will apply.
1g	Whether to extend 12-month period to separate previous LG service	Regs 22(8 & 9)	The Acorn Education Trust will only allow an extension to the 12-month period to separate previous LG service where it can be reasonably shown that the member was not provided with the required information within 6 months of starting.
1h	Determine rate of employees’ contributions	Reg 9(3).	The Acorn Education Trust will review all employees’ contribution bands when there has been contractual change to a member’s salary or hours at some point during the year. A member’s contribution rate will not be reviewed as the result of one-off additional payments (such as honorariums)
1j	Whether to extend 12-month period to allow a transfer-in of non-LG pension rights	Reg 100(6).	The Acorn Education Trust will not exercise this discretion

3. LGPS 2014 Overview

- 3.1. The LGPS 2014 is a Career Average Revalued Earnings (CARE) Scheme.
- 3.2. Accrual rate is 1/49th
- 3.3. The revaluation rate is based on the CPI (Consumer Price Index)
- 3.4. Pensionable Pay is all pay including non-contractual overtime and additional hours for part time staff.
- 3.5. Contribution rates are in bands as detailed below:

From	To	Gross Rate
Up to £13,500		5.50%
£13,501	£21,000	5.80%
£21,001	£34,000	6.50%
£34,001	£43,000	6.80%
£43,001	£60,000	8.50%
£60,001	£85,000	9.90%
£85,001	£100,000	10.50%
£100,001	£150,000	11.40%
More than £150,001		12.50%

- 3.6. Contribution flexibility is now available with a 50/50 option. 50% contribution to a 50% pension
- 3.7. Normal pension age is currently a minimum of 65.
- 3.8. There is a lump sum trade off of £1 annual pension for £12 lump sum
- 3.9. The death in service benefit is 3 * pensionable pay
- 3.10. The death in service survivor benefits are 1/160th accrual rate based on Tier 1 ill health pension enhancement
- 3.11. The ill health provision is as follows:
 - 3.11.1. Tier 1 – Immediate payment with service enhanced to Normal Pension Age
 - 3.11.2. Tier 2 – Immediate payment of pension with 25% service enhancement to Normal Pension Rate
 - 3.11.3. Tier 3 – Temporary payment of pension for up to 3 years
- 3.12. The LGPS indexation of pension in payment is based on the CPI

- 3.13. The vesting period is 2 years
- 3.14. The administrating authority for The Acorn Education Trust is Wiltshire Pension Fund
- 3.15. The Actuary for The Acorn Education Trust is Hymans Robertson LLP

4. Key roles and responsibilities

- 4.1. The Trust's board of Directors has overall responsibility for the implementation and monitoring of the LGPS Discretionary Policy at The Acorn Education Trust
- 4.2. The Board of Directors 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.
- 4.3. The Board of Directors has overall responsibility for handling complaints regarding this policy as outlined in The Acorn Education Trust's Complaints Policy.
- 4.4. In the first instance, complaints should be directed to the HR Director.
- 4.5. The HR & Finance Directors have responsibility for the day-to-day implementation and management of the LGPS Discretionary Policy at The Acorn Education Trust
- 4.6. Staff members enrolled on the LGPS will be responsible for following the LGPS Discretionary Policy.

5. The LGPS Member Records

- 5.1. The HR & Finance Directors are responsible for maintaining a clear and up to date record of all school staff enrolled in the LGPS.
- 5.2. The scheme will have details of each member's:
 - 5.2.1. Full Name
 - 5.2.2. National Insurance Number
 - 5.2.3. Current full time equivalent (FTE) salary
 - 5.2.4. Hours & Weeks worked
 - 5.2.5. Contact details for payroll & HR use
 - 5.2.6. Contribution Rate
 - 5.2.7. Service Start Date/Pension Start date (if different)
 - 5.2.8. Changes in contribution rate

6. Salary Reviews– re Staff Overtime

- 6.1. From 1st April 2014, overtime is classed as pensionable pay. In response the Trust is required to introduce additional measures to ensure employee contributions are correct and pension pay is fair and accurate.
- 6.2. Checks will be carried out by the Finance Director to ensure percentage calculations are correct and accurate.
- 6.3. This will be reviewed annually

This Policy is effective from: June 2015

1st Review Date: July 2016