

# PENSION DISCRETION POLICY AND PROCEDURE (2022/2023)

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## Mission, Vision and Values



### Vision

Every child in a great school



### Mission

Empowering children to impact positively on society



### Values

Collaboration  
Aspiration  
Integrity  
Compassion

## WeST Core Values

WeST holds four core values which underpin the engagement, motivation and retention of employees, no matter what their role in the organisation.

- Collaboration**  
 Creating a shared vision and working effectively across boundaries in an equitable and inclusive way to skilfully influence and engage others. Building and securing value from relationships, developing self and others to achieve positive outcomes.
- Aspiration**  
 Having high expectations, modelling the delivery of high quality outcomes. Showing passion, persistence and resilience in seeking creative solutions to strive for continuous improvement and excellence.
- Integrity**  
 Acting always with the interests of children and young people at our heart, and with a consistent and uncompromising adherence to strong moral and ethical

principles. Communicating with transparency and respect, creating a working environment based on trust and honesty.

- **Compassion**

Recognising need in others and acting with positive intention to promote well-being and improve outcomes.

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## 1. Delegation of Authority

The Trust is committed to ensuring a consistent, fair, and equitable approach in all staffing matters, and will not discriminate either directly or indirectly on the grounds of an employee's gender, age, disability, gender re-assignment, marital or civil partnership status, pregnancy, maternity status, race (including colour, nationality and ethnic or national origins), religion or belief, sex and sexual orientation.

In order to achieve this aim, there needs to be a clear delegation of authority throughout the structure of the Trust. For any processes involving any WeST employee – the decision to apply discretion under the context of this policy will be with the Remuneration Committee.

The Trust reserves the right in exceptional circumstances to vary the composition of the delegated authority / panel in order to ensure that meetings proceed without undue delay. In these circumstances the Trust will ensure that the responsible officer maintains appropriate standards of separation and confidentiality.

The line manager/Headteacher/Principal/Director will be required to provide supporting information on the business case.

The outcome of the remuneration committee decision shall be final and there will be no further right of appeal. However should an employee feel the process has not been appropriately applied they do have the right to explore a grievance.

## 2. Introduction and Purpose

2.1 This policy applies to all employees within the Trust, dependent on the type of terms and conditions of employment (teaching and support staff colleagues) the different types of pension scheme may apply. It does not apply to agency workers, contractors or volunteers.

2.2 The intention is that this policy does not erode contractual terms protected under TUPE.

2.3 Pension arrangements are a complex and personal matter for individuals to carefully consider. The Trust will not be able to provide advice and guidance on individual personal matters. Staff may wish to access independent financial advice to consider their circumstances and decisions. Visit the government site at [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) to find details of registered financial advisor services and more information on pension advice.

2.4 The information in this policy is specific to the discretionary elements of both the Local Government Pension Scheme and Teachers Pension Scheme. For a number of discretions there is a statutory requirement to publicise the approach the employer will take. If the employer decides to amend the policy, no change can come into effect **until one month has passed** since the date the amended policy statement was published.

2.5 This policy confers no contractual rights.

2.6 Westcountry Schools Trust retains the right to change this policy at any time.

2.7 Only the policy which is current at the time a relevant event occurs to the scheme member will be the one applied to that member.

2.8 WeST operates with external payroll providers who will be responsible for processing aspects of the pension arrangements of behalf of the Trust as an employer.

### 3. Definitions

Additional Pension Contributions (APC) (within LGPS)	An employee may choose to purchase extra/lost annual pension contributions. Statutory arrangements set the maximum applicable each year and the maximum applicable for the 2022/2023 year is £7,579. This can be a one off payment or regular contributions.
Additional Voluntary Contributions (AVC) (within LGPS)	Additional Voluntary Contributions which the employee chooses to make into their pension fund. This can be either a cash amount or a percentage of pensionable pay (can be up to 100%).
Assumed Pensionable Pay (APP)	When a staff member moves to a period of reduced contractual pay or nil pay (such as sickness absence or family leave), the payroll provider applies Assumed Pensionable Pay (APP) for pension purposes during the period of absence.
Auto-Enrolment	Eligible employees are automatically put into their workplace pension scheme – though they can still choose to opt out. The employer must re-enrol employees every 3 years. This legislation sets criteria for eligibility based on age and earnings; along with minimum employer / employee contribution rates.
Career Average Re-evaluation Scheme (CARE)	A CARE scheme normally offers you an income in retirement based on a proportion of your average earnings, after adjusting these for inflation, during the whole period of membership of the scheme
Final Salary Pension	A final salary scheme normally offers you an income in retirement based on a proportion of your ‘final salary’, although other factors can be taken into account. It’s important to note that ‘final salary’ doesn’t necessarily mean the actual salary that you're earning at the time you retire and draw your benefits from the scheme.
Flexible Retirement	Phasing into retirement with reduced role level or hours and phasing in pension benefits. Schemes have specific arrangements for this potential provision.
LGPS 50/50 section (within LGPS)	Within LGPS from 2014 there are two sections, if an individual opts to go into the 50/50 section the amount of contributions to be deducted from the employee is half that due under the main section. Thus the member accrues half the normal pension. While an employee is in the 50/50 section, the employer contribution is still the normal full contribution rate, not half that rate.
LGPS Main section (within LGPS)	Within LGPS from 2014 there are two sections, the main being the majority of cases for full employer and employee contributions. However, individuals can also choose to opt for the 50/50 section.
Local Government Pension Scheme (LGPS)	The <b>Local Government Pension Scheme (LGPS)</b> is a part of the pay and reward package for employees working in local government, or working for other employers participating in the scheme (such as support staff Westcountry Schools Trust). The scheme is administered through regional funds which are: Devon known as Peninsula Pensions or Cornwall Pension Fund.
Normal Pension Age (NPA)	Within LGPS the Normal Pension Age in the 2014 Scheme is the employee’s State Pension Age (with a minimum of age 65). The

	<p>Normal Pension Age for benefits accrued before 1 April 2014 will remain as it is in the 2008 Scheme (normally aged 65).</p> <p>Within TPS the Normal Pension Age will be 65 for members who joined for the first time after 1<sup>st</sup> January 2007. If the member was in the pension scheme before this it may also be 65 however a number of considerations apply which mean the State Pension Age may apply.</p>
Pension	A pension is the regular financial payment to those who are of retirement age. You may be eligible for a State Pension or you may also choose to have a private and/or occupational pension. In a private and occupational pension, the monies are drawn from a pension fund, which is a long term savings plan to prepare for your retirement.
Shared Cost Additional Pension Contributions (SCAPC) (within LGPS)	As per the APC, however this is split between the employee and employer.
Shared Cost Additional Voluntary Contributions (SCAVC) (within LGPS)	As per the AVC however this is split between employee and employer. The balance of the split can be determined by the two parties.
State Pension Age	Your State Pension age is the earliest age you can start receiving your State Pension. It may be different to the age you can access a personal or work pension. You can check your state pension age at: <a href="https://www.gov.uk/state-pension-age">https://www.gov.uk/state-pension-age</a>
Teachers' Pension Scheme (TPS)	The <b>Teachers' Pension Scheme (TPS)</b> is a part of the pay and reward package for employees working under Teacher terms and conditions within Westcountry Schools Trust. The scheme is administered through the national provider.

#### 4. Pension Auto-Enrolment

4.1 As part of the programme for Pensions Reform, the government introduced legislation around workplace pensions for all employers which aims to increase the number of employees saving towards their retirement.

4.2 The legislation requires all employers to:

- automatically enrol eligible new starters into a pension scheme
- automatically enrol all eligible employees who have opted out back into the scheme every three years (but they can opt out again)
- automatically enrol any existing employee into the pension scheme as they become eligible under auto-enrolment rules where they are not already a member.

4.3 Current members of the pension schemes are not affected by the legislation. However, if you are not a member of the pension scheme (LGPS and TPS) then you will be automatically enrolled as identified above (either upon meeting the eligibility criteria or every three years as part of re-enrolment. Employees can choose to opt out again if they so wish).

4.4 As an employer, WeST's policy is to exercise the permitted discretion not to re-enrol any eligible job holder who opted out within 12 months of the re-enrolment date.

4.5 Any employee can choose to opt out of the pension scheme at any point of their ongoing employment. If they choose to opt out early on in their employment they may be able to reclaim any monies submitted to the pension fund (subject to scheme terms).

For LGPS, if the staff member opts out within 3 months a refund is processed through payroll. However, if they opt out between 3 months – 2 years they can claim a refund from the scheme administrator. If they choose to opt out after this initial 2 year period they will not be able to access pension funds until they reach normal pension age.

For TPS, if the staff member opts out within 3 months a complete refund is processed through payroll. However if they opt out after 3 months, it is effective the following month and no refund unless the member has not qualified for benefits in which case they can apply for a refund process.

4.6 An employee who has chosen not to contribute to the Local Government Pension Scheme or Teachers Pension Scheme will receive no pension benefits from the funds under these schemes upon retirement. Redundancy compensation will be paid where appropriate as set out below.

4.7 WeST has undertaken auto enrolment for all staff and will maintain declarations of compliance as required in the legislation.

## **5. Local Government Pension Scheme (LGPS)**

5.1 This section of the policy applies to all non-teaching employees who are members of The Local Government Pension Scheme (LGPS) or are eligible to join. A separate section of this policy applies to teachers, see section 7.

5.2 The LGPS is a tax approved, defined benefit occupational pension scheme set up under the Superannuation Act 1972 and is contracted out of the State Second Pension scheme (S2P).

5.3 WeST is a separate scheme employer as defined within Schedule 2 of the LGPS Regulations, for pension purposes. The regulations deem that employees are eligible from the first day of employment but they must have a contract of 3 months or more duration, and are automatically members of the LGPS and, as such, require the school to automatically enter their support and non-teaching staff into the LGPS.

5.4 Full details of the LGPS scheme are contained within the LGPS membership pack or from the Peninsula Pension Website: [www.peninsulapensions.org.uk](http://www.peninsulapensions.org.uk) or Cornwall Pension Fund website: <https://www.cornwall.gov.uk/jobs-and-careers/cornwall-pension-fund/>. Staff members can manage their pension scheme / fund online directly with the portal of the scheme administrator. This includes updating personal details and next of kin details.

5.5 Contribution rates for employees are based upon bands of actual pensionable pay, further details are available at: <https://www.lgpsmember.org/toj/thinking-joining-how.php>.

5.6 At the earliest opportunity new starters are responsible for declaring any previous pension rights and active schemes to enable the payroll provider to ensure a smooth transition for the commencement of their new employment at WeST.

## **6. LGPS Discretions Procedure**

6.1 Under the rules of the Local Government Pension Scheme (“LGPS”) the employer has the right to authorise discretion on a number of matters regarding the administration of the pension scheme.

6.2 The approach to exercising discretion in this policy is to allow the employer to make a reasonable decision in individual cases but also to be clear as to the factors it will take into account in making that decision.

6.3 In formulating and reviewing its policy statements the employer is required to:

- Have regard to the extent to which the exercise of their discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service, and,
- Be satisfied that the policy is workable, affordable and reasonable, having regard to the foreseeable costs.

6.4 Any complaints relating to decisions in these matters would need initially to be raised under the pension scheme’s Internal Disputes Resolution Procedure, details of which are available from the pension scheme administrator.

6.5 This policy deals with the Employing Authority’s Discretions Under the following legislation:

- The Local Government Pension Scheme Regulations 2013 [prefix R]
- The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 [prefix TP]
- The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2008 (as amended) [prefix B]
- Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006
- Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011



**6.6 The following table applies to discretions which may be exercised on and after 1 April 2014 in relation to post 31 March 2014 active members and post 31 March 2014 leavers:**

Regulation Reference:	Discretion Description:	Trust Policy on the exercise of this discretion:
<p>R31</p> <p>Mandatory Discretion</p>	<p>Known as: Extra Annual Pension using an APC Contract.</p> <p>An employer can choose 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 (statutory arrangements set the maximum applicable each year and the maximum applicable for the 2023/2024 year is £7,579).</p>	<p>Westcountry Schools trust will not have a general policy 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 but may decide to do so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.</p>
<p>R16</p> <p>Mandatory Discretion</p>	<p>Known as: Shared Cost Additional Pension Scheme</p> <p>Where an active member wishes to purchase extra annual pension by making additional pension contributions (APCs)*, an employer can choose to voluntarily contribute towards the cost of purchasing that extra pension through a Shared Cost Additional Pension Contribution (SCAPC).</p> <p>*(statutory arrangements set the maximum applicable each year and the maximum applicable for the 2023/2024 year is £7,579)</p> <p><b>NOTE:</b> this discretion does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work (or such a longer period as the Scheme employer may allow) to pay a SCAPC to cover the amount of pension 'lost' during that period of absence. That is because, in those cases, the Scheme employer must contribute 2/3rds of the cost to a SCAPC; there is no discretion [regulation 15(5) of the LGPS Regulations 2013].</p>	<p>Westcountry Schools Trust as an employer will not pay for or contribute towards a member's Additional Pension Contract via a Shared Cost Additional Pension Contract (SCAPC).</p>

<p>R30(6)* &amp; TP11(2)</p> <p>Mandatory Discretion</p>	<p>Known as: Flexible Retirement</p> <p>Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).</p> <p>Under the regulations, once an employee reaches age 55, they may remain in employment and draw their retirement benefits. However, there are certain conditions that must be met:</p> <p>a) The employer must agree to the release of the pension.  b) The employee must reduce either their hours, and/or their grade. (The specific reduction required is not set out in the regulations, but instead must be determined by the employer in mutual agreement with the employee having considered the business case.</p>	<p>Westcountry Schools Trust will not have a general policy of exercising this discretion but may exercise this discretion where a sound business case can be made for granting flexible retirement with immediate access to all or part of the member's benefits. Such business cases may be due to workforce transition / restructure processes. Each case will be considered on its individual merits.</p> <p>Consideration of any strain cost and how this will be treated should be explored.</p> <p>The employee should submit a written request to their Headteacher/Principal/Director who will add any additional information regarding the business case and submit to the Remuneration Committee.</p>
<p>R30 (8), TP3 (1), TPSch2, Para 2(1), B30 (5) and B30 (A) (5)</p> <p>Mandatory Discretion</p>	<p>Known as: Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.</p> <p>Employers have the power to waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members' benefits paid on the grounds of flexible retirement.</p> <p>Employers may also waive, on compassionate grounds, the actuarial reduction (in whole or part) applied to members' benefits for deferred members and suspended tier 3 ill health pensioners who elect to draw benefits on or after age 60 and before normal pension age.</p> <p>Employers also have the power to waive, in whole or in part, the actuarial reduction applied to active members' benefits when a member chooses to voluntarily draw benefits on or after age 55 before age 60 and on or after age 60 and before Normal Pension Age (NPA).</p>	<p>Westcountry Schools trust will not have a general policy of waiving, in whole or in part, the actuarial reduction on the benefits paid on flexible retirement, but may consider doing so where a sound business case can be made for doing so or where other exceptional circumstances arise.</p> <p>Such business case for this aspect must be included in the above written request for the Remuneration Committee consideration.</p>

	<p>This provision includes former members who ceased active membership between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2014.</p>	
<p>TP1 (1) (c) Sch 2</p> <p>Mandatory Discretion</p>	<p>Known as: Whether to “switch on” the 85 Year Rule for a member voluntarily drawing benefits (non-flexible retirement) upon the voluntary early payment of benefits.</p> <p>The 85 year rule provides protection from early payment reduction and may apply where the member’s age and qualifying years of service in the Scheme are added together, and comes to 85 or over at the point they wish to take their benefits.</p> <p>The 85-year rule does not (other than on flexible retirement) automatically fully apply to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60.</p> <p>An employer can therefore choose whether to switch on the 85-year rule for members:</p> <ol style="list-style-type: none"> <li>1) who voluntarily draw their benefits on or after age 55 and before age 60 and,</li> <li>2) former members who ceased active membership between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2014 and choose to voluntarily draw their suspended tier 3 ill health pension (on or after 14 May 2018) on or after age 55 and before age 60 and,</li> <li>3) former members who ceased active membership between 1<sup>st</sup> April 1998 and 31<sup>st</sup> March 2014 and elect for voluntary early payment of any deferred benefits</li> </ol>	<p>Westcountry Schools Trust will not have a general policy of “switching on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 but will consider requests on a case by case basis where a sound business case can be made for doing so or where other exceptional circumstances arise that make payment of those benefits justifiable.</p> <p>Consideration of any strain cost and how this will be treated should be explored.</p> <p>The employee should submit a written request to their Headteacher/Principal/Director who will add any additional information regarding the business case and submit to the Remuneration Committee.</p>
<p>R17 (1) and TP15 (1) (d) and A25 (3)</p> <p>Non-Mandatory</p>	<p>Known as: Shared Cost Additional Voluntary Contribution Arrangement (SCAVC)</p> <p>An employer can choose to pay for or contribute towards a member’s Additional Voluntary Contribution through a shared cost arrangement (SCAVC).</p>	<p>Westcountry Schools Trust as an employer will not pay for or contribute towards a member’s A Shared Cost Additional Voluntary Contribution Arrangement (SCAVC).</p>

R16 Non-Mandatory	<p>Known as: 30-day deadline for Shared Cost Additional Pension Contributions (SCAPC).</p> <p>An employer can extend the 30-day deadline for a member to elect for a SCAPC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave).</p>	Westcountry Schools Trust as an employer will not generally extend the timescales however where there are exceptional circumstances it will be considered on a case by case basis.
R22 (7 / 8) Non-Mandatory	<p>Known as: 12-month deadline for aggregate LGPS benefits post 2014.</p> <p>A member has 12 months from starting a new post to elect to keep previous LGPS pension accounts separate from any new post. If they do not elect, the pension account is automatically amalgamated to the current post. An employer can extend the 12-month period the member has to make an election.</p> <p>This relates to LGPS pension benefits post 31<sup>st</sup> March 2014 (or combinations of pre-April 2014 and post March 2014).</p>	Westcountry Schools Trust as an employer will not generally extend the timescales however where there are exceptional circumstances it will be considered on a case by case basis.
R27 Non-Mandatory	<p>Known as: 12-month deadline for aggregate LGPS benefits pre 2014.</p> <p>A member has 12 months from starting a new post to elect to amalgamate previous LGPS pension accounts to any new post. If they do not elect, the pension account is automatically kept separate. An employer can extend the 12-month period the member has to make an election.</p> <p>This relates to LGPS pension benefits pre-1st April 2014.</p>	Westcountry Schools Trust as an employer will not generally extend the timescales however where there are exceptional circumstances it will be considered on a case by case basis.
R100 (6) Non-Mandatory	Known as: 12-month deadline for non-LGPS benefits.	Westcountry Schools Trust as an employer will not generally extend the timescales however where there are exceptional circumstances it will be considered on a case by case basis.

	Extend normal time limit for acceptance of a transfer value from a registered pension scheme (outside of LGPS) beyond 12 months from joining the LGPS.	
R9(1) & R9(3)  Non-mandatory	<p>Known as: Rate of employees' contributions and when the contribution rate will be assessed.</p> <p>An employer must decide:</p> <ul style="list-style-type: none"> <li>• how the pension band (which an employee is allocated to on joining the Scheme, and then each April) will be determined and</li> <li>• the circumstances in which they will, in addition to review each April, review the contribution band to which the employee has been allocated following a material change.</li> </ul>	<p>Upon commencement of employment or change in employment terms, Westcountry Schools Trust will inform the external payroll provider of the relevant contract information. Allocation to the appropriate band of contribution will be by the external payroll provider upon assessment of pensionable pay.</p> <p>In accordance with LGPS terms, if a person holds more than one employment and these are treated as separate jobs, each job and the pensionable pay from that job is assessed separately when determining the contribution rate for each job.</p> <p>The employer must determine the appropriate contribution rate by estimating the annual equivalent of the actual pay to be received in a full Scheme year (1 April to 31 March). The contribution rate is not based on the full-time equivalent salary.</p>
R21 (5)	<p>Known as: whether to include a regular lump sum payment when calculating assumed pensionable pay (APP).</p> <p>Whether, when calculating assumed pensionable pay when a member is:</p> <ul style="list-style-type: none"> <li>- on reduced contractual pay or no pay on due to sickness or injury, or</li> <li>- absent during ordinary maternity, paternity or adoption leave, or paid shared parental leave, or during paid additional maternity or adoption leave, or</li> <li>- absent on reserve forces service leave, or</li> <li>- retires with a Tier 1 or Tier 2 ill health pension, or</li> <li>- dies in service</li> </ul>	<p>Where a regular lump sum payment is awarded, Westcountry Schools Trust will inform the external payroll provider of the relevant contract information. Calculation of assumed pensionable pay will be by the external payroll provider.</p>

	to include in the calculation the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred. A 'regular lump sum payment' is a payment for which the member's Scheme employer determines there is a reasonable expectation that such a payment would be paid on a regular basis.	
R21(5A) & R21(5B)  Non-Mandatory	Known as: whether, subject to qualification, to substitute a higher level of pensionable pay when calculating assumed pensionable pay (APP).  Where in the Employer's opinion, the pensionable pay received in relation to an employment (adjusted to reflect any lump sum payments) in the 3 months (or 12 weeks if not paid monthly) preceding the commencement of Assumed Pensionable Pay (APP), is materially lower than the level of pensionable pay the member would have normally received, decide whether to substitute a higher level of pensionable pay having had regard to the level of pensionable pay received by the member in the previous 12 months	Westcountry Schools Trust will inform the external payroll provider of the relevant contract information. Calculation of assumed pensionable pay will be by the external payroll provider.

#### 6.7 The following tables apply to the discretions pre-2014

The following table details discretions which may be exercised for members who ceased active membership on or after 1 April 2008 and before 1 April 2014.

Regulation Reference:	Discretion Description:	Trust Policy on the exercise of this discretion:
R30(5), TP2(1) Sch2, R30A(5) TP2(1) Sch 2  Mandatory Discretion	Known as: Early payment of benefits.  Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65.  Whether, on compassionate grounds, to waive any actuarial reduction that would normally be applied to any suspended tier 3 ill health pension benefits which are brought back into payment before age 65.	Westcountry Schools Trust will not have a general policy to grant application of deferred benefits but may decide to do so where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.  The individual should submit a written request to the HR Director who will add any additional information regarding the business case and submit to the Remuneration Committee.

The following table details discretions which may be exercised for members who ceased active membership on or after 1 April 1998 and before 1 April 2008.

Regulation Reference:	Discretion Description:	Trust Policy on the exercise of this discretion:
<p>R31(2), R31(5), 31(7A) of the LGPS Regulations 1997 and paragraph 2(1) of Schedule 2 to the LGPS (TP) Regs2014</p> <p>Mandatory Discretion</p>	<p>Known as: Early payment of benefits.</p> <p>Employers can allow the early payment of deferred benefits to former members of the LGPS between the ages of 50 and 55.</p> <p>Employers can also choose, on compassionate grounds, to waive any actuarial reduction that would normally be applied to benefits which are paid before age 65</p> <p><u>Regulation D11(2)(c) of the LGPS Regulations 1995</u> In relation to members who ceased active membership before 1 April 1998: Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before normal retirement date on compassionate grounds.</p> <p><u>Regulation 31(7) of the LGPS Regs 1997:</u> In respect of a member who opted out of the scheme after 31 March 1998 and before 1 April 2008: Where a member who opted out of the scheme continues to be employed by a Scheme employer, the member is only entitled to receive their benefits at normal retirement date if their employer consents to them doing so.</p>	<p>Such applications will not normally be granted by Westcountry Schools Trust; applications may be approved in exceptional circumstances where there are significant compassionate grounds.</p> <p>The individual should submit a written request to the HR Director who will arrange for the application to be submitted to the Remuneration Committee for consideration.</p> <p>Westcountry Schools Trust will not have a general policy of waiving, in whole or in part, the actuarial reduction applied to benefits paid but may consider doing so where significant compassionate grounds exist or where other exceptional circumstances arise.</p>

## 7. Teachers' Pension Scheme (TPS)

7.1 This section of the policy applies to all teaching employees who are members of the Teachers' Pension Scheme (TPS) or are eligible to join. A separate section of this policy applies to non-teachers, see section 6.

7.2 The Scheme is divided into two different arrangements, Final Salary and Career Average. The Final Salary arrangement is further divided into two sections, one for those who joined the Scheme before 1 January 2007 and one for those who joined on or after this date but before 1 April 2015, when the Career Average arrangement came into being.

7.3 Both arrangements are what is known as Defined Benefits, as the pension benefits that individuals build up are based their salary and are calculated in accordance with the Scheme regulations rather than the investment performance of your contributions.

7.4 Full details of the TPS scheme are contained within the membership hub online at: <https://www.teacherspensions.co.uk/members/member-hub.aspx>. Staff members can manage their pension scheme / fund online directly with My Pension Online. This includes updating personal details and next of kin details.

7.5 Contribution rates for employees are based upon bands of annual salary rate of pay, further details are available at: <https://www.teacherspensions.co.uk/members/new-starter/understand-how-much-youll-pay.aspx>

## 8. TPS Discretions Procedure

8.1 Under the rules of the Teachers' Pension Scheme (TPS) the employer has the right to authorise discretion on a small number of matters regarding the administration of the pension scheme. However many aspects of the scheme remain subject to national terms, such as; age retirement, early retirement, phased retirement, and ill-health retirement.

8.2 The approach to exercising discretion in this policy is to allow the employer to make a reasonable decision in individual cases but also to be clear as to the factors it will take into account in making that decision.

8.3 The following table is the only applied discretion:

Regulation Reference:	Discretion Description:	Trust Policy on the exercise of this discretion:
Premature Retirement	<p>If a member is 55 or over, the employer may decide to grant premature retirement benefits if they make the member redundant.</p> <p>The Scheme will pay the member <b>Actuarially Adjusted Benefits (AAB)</b> based on the service completed by the</p>	Westcountry Schools Trust will not have a general policy to grant premature retirement but may decide to do so in exceptional



	<p>member. The employer would be required to pay the difference between that and the service the member could have completed, so that the member receives unreduced benefits. This is known as Mandatory Compensation. If the employer does decide to grant a member premature retirement benefits they will be legally obliged to pay Mandatory Compensation for the lifetime of that member.</p> <p>Premature retirement is not usually applicable in the case of a severance payment.</p> <p>Where payments are arranged through the Teachers' Pension Scheme an administration fee may apply.</p>	<p>circumstances where a sound business case can be made for exercising this discretion. Each case will be considered on its individual merits.</p> <p>With a written request submitted to the Remuneration Committee for consideration.</p>
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**9. Timescales**

The timescales detailed in the policy are in accordance with the pension scheme requirements and best practice. They must therefore be adhered; to unless the external pension scheme administrator, employer, and employee agreed to an extension of time.

**10. Recording of Information**

A written record must be made of all requests and meetings held during the application of this policy. Those involved in each meeting will be provided with a copy of any records made.

The Clerk supporting the Remuneration Committee or their delegate will ensure there is a full and comprehensive file of the process which should include all statements, records and evidence referred to in the rationalising of the decision outcome. At the end of the process the file should be passed to the Human Resources Department who will ensure that it is stored confidentially, in accordance with the legislation requirements.

**11. Support for Employees**

Employees are encouraged to seek support from their trade union/professional association in the first instance. Employees may also wish to access independent financial advice to consider their circumstances and decisions. Visit the government site at <https://www.moneyhelper.org.uk> to find details of registered financial advisor services and more information on pension advice.

Procedural guidance relating to this policy is available from the Human Resources Department.

**POLICY HISTORY**

Policy Date	Summary of change	Contact / Responsibility for Policy	Version/ Implementation Date	Review Date
2017/2018	Pension Discretion Policy Statement	HR	2017/2018	Annually
2018/2019	Pension Discretion Policy Statement	HR	2018/2019	Annually
2019/2020	Pension Discretion Policy Statement	HR	2019/2020	Annually
2020/2021	Pension Discretion Policy Statement	HR	Extended use of 2019/2020	Annually
2021/2022	Pension Discretion Policy Statement	HR	2021/2022	Annually
2022/2023	Pension Discretion Policy Statement – update to values only	HR	2022/2023	Annually
2023/2024	Revised Formatting and values	HR	September 2023	April 2024