

THOMAS MILLS HIGH SCHOOL



POLICY DOCUMENT 65 – APPROVED 06/05/2021

LOCAL GOVERNMENT PENSION SCHEME POLICY

Vision Statement

*We, the staff and governors, aspire
to ensure that all our students,
irrespective of ability
and regardless of anyone's doubts,
achieve their potential in full;
and we aspire in this way to make Thomas Mills High School
the best in the country.*

Thomas Mills High School is an Academy and a company limited by guarantee incorporated in England & Wales under number 7605059

Contents:

Statement of intent

1. LGPS 2014 overview
2. Key roles and responsibilities
3. Discretionary decisions
4. Whether to augment membership of an active member (by up to 10 years)
5. Whether to grant additional pension to a member (by up to £5,000 p.a.)
6. Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement)
7. Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement
8. Whether to grant application for early payment of benefits on or after age 55 and before age 60 (for both active and deferred members)
9. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early
10. 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
11. 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)
12. Whether the Academy will adopt a discretionary injury benefit scheme
13. Whether the Academy will permit late inward transfer of pension rights
14. LGPS member records
15. Salary reviews in light of staff overtime
16. Support

Statement of Intent

Under the Local Government Pension Scheme (LGPS) (Benefits, Membership and Contributions Regulations 2008), Thomas Mills High School 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, Thomas Mills High School has adopted an approach that befits the size, finances and current staffing levels at the School. In addition, the decisions regarding the discretionary powers have been taken to ensure the affordability of the scheme to all members.

Thomas Mills High School 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 School 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.

.....
Headteacher

.....
Date

.....
Chair of Governors

.....
Date

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 1/49th.

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 1/160th 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 Thomas Mills High School is Schools' Choice Pensions.

1.14. Actuary details

The actuary for Thomas Mills High School is Hymans.

2. Key roles and responsibilities

- 2.1. The Governing Body has overall responsibility for the implementation and monitoring of the LGPS Discretionary Policy at Thomas Mills High School.
- 2.2. The Governing Body 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 Governing Body has overall responsibility for handling complaints regarding this policy as outlined in the School's Complaints Policy.
- 2.4. In the first instance, complaints should be directed to the School's Headteacher.
- 2.5. The Headteacher has responsibility for the day-to-day implementation and management of the LGPS Discretionary Policy at Thomas Mills High School.
- 2.6. The Headteacher is responsible for monitoring overtime worked and for initiating review procedures as necessary.
- 2.7. Staff members enrolled on the LGPS will be responsible for following the LGPS Discretionary Policy.

3. Discretionary decisions

- 3.1. The School, 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 to augment membership of an active member (by up to 10 years).
 - 3.1.2. Whether to grant additional pension to a member (by up to £5,000 p.a.).
 - 3.1.3. Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).
 - 3.1.4. Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.
 - 3.1.5. Whether to grant application for early payment of benefits on or after age 55 and before age 60 (for both active and deferred members).
 - 3.1.6. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early.
 - 3.1.7. 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.

- 3.1.8. 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).
- 3.1.9. Whether the School will adopt a discretionary injury benefit scheme.
- 3.1.10. Whether the School will permit late inward transfer of pension rights.

4. Whether to augment membership of an active member (by up to 10 years)

- 4.1. The School may agree, at its own cost, to award a member additional membership up to a maximum of ten years.
- 4.2. The School will only consider doing so in cases where there is a clear financial or administrative advantage to the School.

5. Whether to grant additional pension to a member (by up to £5,000 p.a.)

- 5.1. The School may agree, at its own cost, to award a member an additional pension up to a maximum of £5,000 p.a.
- 5.2. The will only consider doing so in cases where there is a clear financial or administrative advantage to the School.

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

- 6.1. The School 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 School's employment.
- 6.2. The School will only consider doing so in cases where there is a clear financial or administrative advantage to the School.

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

- 7.1. If the benefits on flexible retirement would normally be reduced for early payment, the School may agree, at its own cost, to waive all or part of the reduction.
- 7.2. The School will only consider doing so in cases where there is a clear financial or administrative advantage to the Academy.

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

- 8.1. The Academy 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.
- 8.2. The School will only consider doing so in cases where there is a clear financial or administrative advantage to the School.

9. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early

- 9.1. If the benefits payable in such cases would normally be reduced for early payment, the School may agree, at its own cost, to waive all or part of the reduction if there were compassionate grounds for doing so.
- 9.2. The School will consider any cases arising on their individual merits.
- 9.3. Decisions regarding the waiving of actuarial reductions are delegated to Headteacher and the Personnel and Performance committee of the Governing Body.

10. 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

- 10.1. **For current employees** – where there is no financial or operational disadvantage to the School, or where unforeseen circumstances might result in the employee suffering personal hardship, a request for early payment of benefits will normally be accepted.
- 10.2. It will require the prior recommendation of the Headteacher and the Personnel and Performance committee of the Governing Body.
- 10.3. **For former employees** – where there is no financial or operational disadvantage to the School, a request for early payment of deferred benefits will normally be accepted (other than on the grounds of permanent ill-health or compassion).
- 10.4. It will require the prior recommendation of the Headteacher and the Personnel and Performance committee of the Governing Body.

11. 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)

- 11.1. 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.
- 11.2. It will require the prior recommendation of the Headteacher and the Personnel and Performance committee of the Governing Body.

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

- 12.1. The School 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.
- 12.2. The School will also consider extending the time limit for late inward transfers where there is evidence of significant administrative delays.
- 12.3. Decisions regarding the acceptance of late inward transfers are delegated to the Headteacher and the Personnel and Performance committee of the Governing Body.

13. LGPS member records

- 13.1. The Business Manager is responsible for maintaining a clear and up-to-date record of all school staff enrolled on the LGPS scheme.
- 13.2. The record will record details of each member's:
 - 13.2.1. Full name.
 - 13.2.2. National Insurance number.
 - 13.2.3. Current full-time equivalent (FTE) salary.
 - 13.2.4. Hours and weeks worked.
 - 13.2.5. Contact details for payroll and HR use.

14. Salary reviews in light of staff overtime

- 14.1. From 1 April 2014, overtime is classed as pensionable pay. In response, the School is required to introduce additional measures to ensure employee and employer payment percentages are correct and pension payments are fair and accurate.
- 14.2. To ensure fairness and clarity, the Headteacher and the Personnel and Performance committee of the Governing Body will review staff salaries as necessary in light of overtime acquired.

14.3. The maximum period of time between salary reviews for staff at Thomas Mills High School is 12 months.

15. Support

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

Website: www.suffolkpensionfund.org
www.lgps.org.uk

Email: pensions@suffolk.gov.uk

Tel: 03456 05 3000