

Castle Phoenix Trust Statement of Policy For Discretions Contained within the Local Government Pension Scheme April 2014

Under Regulation 60 of the Local Government Pension Scheme (LGPS) Regulations 2013 each employer must formulate, keep under review and publish their policies on certain discretions contained within the LGPS Regulations.

This Statement is applicable to all employees of Castle Phoenix Trust who are eligible to be members of the LGPS and, where applicable, deferred or pensioner members.

1. Regulation 30 – Members request for early payment of benefits

Explanation

From age 55, members who leave or have left employment having been a member of the LGPS have the right to apply for early payment of their retirement benefits subject to the consent of their employer. However, members aged 60 and over do not need their employer's consent.

The pension benefits must be reduced in accordance with guidance provided by the Government actuary. Employers may determine on compassionate grounds that the benefits are not reduced.

Castle Phoenix Trust's Policy

- **Active Members (current employees) – The Trust will allow early retirements on the grounds of redundancy/efficiency of the Trust. This discretion will otherwise only be used in rare and exceptional circumstances.**

It would need to be funded by a lump-sum contribution into the Pensions Fund by the Trust. Each specific request raised under this Regulation will be judged equally and fairly on its own merits.

- **This discretion will be exercised by the Board of Governors following advice and recommendation from the HR and Governance Committee.**
- **Deferred Members (Pre April 2014) – Early release of retirement benefits may be allowed in exceptional circumstances. The former employee must make an application in writing to the Trust. Each specific case will be judged equally and fairly on its own merits and where appropriate approved by the Board of Governors following advice and recommendation from the HR and Governance Committee.**
- **Waiver or reduction – Each specific case will be judged equally and fairly on its own merits and where appropriate approved by the Board of Governors following advice and recommendation from the HR and Governance Committee. Any cost would need to be funded by a lump-sum contribution into the Pension Fund by the Trust.**

2 TP Regs 2 of Schedule 2 - The rule of 85 for members drawing benefits between age 55-59.

Explanation

The rule of 85 applies to those members who joined the LGPS before 2006 and allows them to retire earlier than their normal pension age, taking their pension benefits in full. Under the LGPS 2014 Regulations members may lose some of the rule of 85 protections if they wish to access their

benefits and they are aged 55-59. An employer may resolve to reinstate the protection which would have cost implications.

Castle Phoenix Trust's Policy

Each specific case will be considered on the grounds of efficiency of the Trust, having fully considered Trust delivery and financial costs.

3. Regulation 31 – Award of Additional Pension of an active member

Explanation

An employer may resolve to award a member additional pension of not more than £6,500 per year (as at 1st April 2014). An employer may make decisions on awarding additional pension for up to six months after termination of employment in cases of redundancy, in the interests of efficiency of the employing authority's functions or at the ending of a joint appointment because the other appointment holder has left.

Coventry Castle Phoenix Trust's Policy

This discretion will not be exercised by the Trust in any circumstances.

4. Regulation 16(2)e & Regulation 16(4)d – Additional Pension Contribution (APC)

Explanation

An employer may make either a regular or lump sum Additional Pension Contribution (APC) to a member's account. This may be part or whole funded.

Castle Phoenix Trust's Policy

This discretion will not be exercised by the Trust in any circumstances.

5. Regulation 30(6) and Regulation 30 (8) – Flexible Retirement

Explanation

A member who is aged 55 or over and with their employer's consent reduces their hours and/ or grade can then, but only with the agreement of their employer, make a written application to the administering authority (West Midlands Pension Fund) for payment of all or part of their accrued benefits without having retired from that employment.

If payment of benefits occurs before normal retirement age the benefits can be actuarially reduced in accordance with guidance issued by the Government actuary.

The employer may choose to waive the reduction in whole or in part. If the employer chooses to do so, then the cost of waiving the reduction in whole or in part has to be paid to the Fund.

Castle Phoenix Trust's Policy

Each specific case will be judged equally and fairly on its own merits, having fully considered Trust delivery and financial costs. The Trust will normally only approve the payment of benefits where there is no additional cost to the Trust.

6. Regulation 17 – Shared Cost AVC

Explanation

Employers may resolve to establish and maintain a Shared Cost Additional Voluntary Contribution Scheme (SCAVC). Who can join, how much the employer and employee will jointly contribute and the type of benefits provided must be considered.

Castle Phoenix Trust's Policy

The Trust does not propose to introduce a Shared Cost Additional Voluntary Contribution Scheme.

7. Regulation 16 – Optional contributions during absence

Explanation

Employing authorities have the discretion to extend beyond 30 days the period where a member can make a written request to make contributions. These contributions will cover a period of absence where pension contributions would otherwise not have been made.

Castle Phoenix Trust's Policy

The Trust will extend the period of 30 days in rare and exceptional circumstances or where it was beyond the member's control.

8. Regulation 22 – Re-employed and rejoining deferred members

Explanation

Where a deferred member becomes an active member again, before becoming entitled to the immediate payment of retirement benefits in respect of former membership(s), he/she may elect to have former membership(s) aggregated with their current active membership. An election must be made in writing to the member's appropriate administering authority (West Midlands Pension Fund) before the expiry of the period of 12 months, beginning with the date that the employee again became an active member (or any such longer period as the employer may allow).

Castle Phoenix Trust's Policy

The Trust will extend the period of 12 months in rare and exceptional circumstances or where it was beyond the member's control.

9. Regulation 100 – Inward transfers of pension rights

Explanation

A person who becomes an active member who has relevant pension rights may request their fund authority to accept a transfer value for some or all of their former rights. An election must be made in writing before the expiry of the period of 12 months beginning with the date that he/she became an active member (or any such longer period as his employer may allow).

Castle Phoenix Trust's Policy

The Trust will extend the period of 12 months in rare and exceptional circumstances or where it was beyond the member's control.

10. Regulation 9 (3) - Contributions payable by active members

Explanation

Employing Authorities must review the contribution band to which they assign members each April, employers can also review band levels during the year

Castle Phoenix Trust's Policy

An employee's contribution percentage will be determined each pay period (e.g. each months pay) based on the following:

a) The pensionable pay to be paid in the pay period will be multiplied by 12 to give an annual equivalent and the contribution rate for that pay period determined according to the relevant tables.

b) Any lump sums or retrospective arrears payments covering more than one pay period would be excluded from the calculation.

Employees will be notified of their pension contribution percentage on their payslip each month.

Details of the contribution rates are available from the HR Business Manager.

Members of the pension scheme have the right to appeal the pension banding decision within 6 months of the change of contribution rate; in the first instance they should contact the HR Business Manager so that the matter can be reconsidered.

If they are still dissatisfied with this decision they can make a written application to the specified person, appointed by The Trust, to give a decision under dispute.

11. Regulation 91-95 Forfeiture of pension rights

Explanation

If a member is convicted of a relevant offence committed in connection with their employment the former Scheme employer may apply for a forfeiture certificate. A forfeiture certificate certifies that the offence was 'gravely injurious to the state' or is liable to lead to a 'serious loss of confidence in the public service'. Where issued the former Scheme employer may direct that the member's rights under the regulations are forfeited.

Castle Phoenix Trust's Policy

The Trust will apply the provisions of regulations 91 to 95.

12. Regulation 7 – The Internal Dispute Resolution Procedure

Explanation

An Internal Dispute Resolution Procedure applies to active members of the LGPS and to others such as deferred and pensioner members, whose position may be affected by decisions taken by their former employer or LGPS administering authority.

Responsibility for determinations under the first stage of the procedure rests with a "specified person" appointed by the employer. The employer must specify the job title and address of the person to whom applications should be directed.

Castle Phoenix Trust's Policy

The specified person is:

Director of Finances
Castle Phoenix Trust
Caludon Castle School
Axholme Road
Wyken
COVENTRY
CV2 5BD