Local Government Pension Scheme (LGPS)

MAT Statement of Discretions Policy

Version 7

Version	Purpose/Change	Responsibility	Date
V7	No changes required at this review	Group Director	April 2025
	(see last page for previous updates)		

Person Responsible: Group Director
Date of first draft: February 2017
Date adopted by the Trust Board: 20-February 2018
Date of implementation: February 2018
Date reviewed: April 2025
Date of next review: April 2026

LGPS Discretions Policy

1. Purpose

This statement sets out the policy of MacIntyre Academies Trust for application of the Employer's Discretions contained within the Local Government Pension Scheme Regulations, 2013.

2. Scope

This statement of policy applies to employees of MacIntyre Academies Trust ('MAT' 'The Trust' or 'MacIntyre Academies') who are members of the Local Government Pension Scheme 'LGPS' and should be read in accordance with the Local Government Pension Regulations relating to the pension fund for which the employee is eligible.

This policy doesn't form part of any contract of employment and may be amended from time to time.

Only the version of the policy which is current at the time when the relevant event occurs will be the version applied to that member for that event. Each case will be treated fairly based on its circumstances and merits.

Where discretionary policies laid out in this document contradict statutory regulations, the statutory regulations will take priority.

3. Schedule of Responsibilities

The CEO of MacIntyre Academies Trust takes overall responsibility for the implementation of policies and procedures in relation to this policy including providing reports to Trustees as appropriate. Trust Board Directors are responsible for ruling on areas where discretion is permitted.

Principals of MacIntyre Academies and their Senior Leadership Teams will take active steps to notify payroll of any changes to terms and conditions of employment such as hours or salary that may affect benefits or contributions as soon as they occur.

The Payroll team, in conjunction with the payroll provider, Civica, will manage the day to day administration of the pension scheme, make timely payments to the LGPS fund and perform regular audits of contributions and contribution levels to ensure these remain at the correct levels.

LGPS Members are required to give timely notice of any intended changes to employment that may affect their pension, in order to enable all requirements of the LGPS authority to be fulfilled.

MacIntyre Academies' HR Team are responsible for providing advice under this policy and reviewing and updating the policy as required; ensuring continuing relevance and effectiveness in line with any developments in employment legislation, good employment

practice and other MacIntyre Academies policies. The Head of Support Services is responsible for collating data for regular Trust Board HR reports and where appropriate, providing confidential reports as required by the Group Director and MacIntyre Academies Trust Board.

4. Introduction

MacIntyre Academies is a Scheduled Body and employs staff who are members of various Pension Funds operating under the Local Government Pension Scheme (LGPS); currently Oxfordshire and Warwickshire. The term 'LGPS Member' will be used within this document to refer to all employees who are members of the LGPS (irrespective of local authority the scheme falls under).

Under the terms of the Local Government Pension Scheme Regulations, MacIntyre Academies is required to formulate a Statement of Policy for certain discretionary powers for those members of staff who are members of the LGPS. MacIntyre Academies will take into account its obligations under the Equality Act 2010 in making any decisions regarding the exercise of its discretions under this policy.

5. Discretionary Policy Statement

The Trust's position is as follows:

5.1 Regulation 31 (awarding an employee additional pension)

Regulation 31 provides that the employer has discretion to grant extra annual pension of up to £8344 (2023/2024 rate) to an active scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.

MacIntyre Academies may resolve to award a member additional pension, where prior approval has been granted by the Trust's Board of Directors and only where there is a clear operational or financial advantage to be gained by the Trust by doing so. Increase of pension will only be granted in exceptional circumstances and there is no intention of making use of this power in the foreseeable future.

5.2 Regulations 16(2)(e) and 16(4)(d) (Additional Pension Contributions)

Regulations 16(2)(e) and 16(4)(d) provide where an active scheme member wishes to purchase extra annual pension of up to £8344 (2023/2024 rate) by making Additional Pension Contributions (APC), the employer can choose to (voluntarily) contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC). The figure of £6,500 as at 1st April 2014 is revalued each April (starting April 2015) under the Pension (Increase) Act 1971 (as it were a pension with a PI date of 1st April 2013). The uprated figure as at April 2023 is £8334. The most up to date figure can be found directly on the LGPS website, via the link below:

https://www.lgpsmember.org/your-pension/paying-in/paying-more/

MacIntyre Academies will not establish a Shared Cost Additional Pension Contribution Scheme for any of its employees without prior approval being granted by the Trust's Board of Directors and unless there is a clear financial or operational advantage to be gained by the Trust by doing so.

5.3 Regulation 30(6) and 30(8) (flexible retirement)

Regulation 30(6) provides that an employee who is aged 55 or over and who reduces their working hours and/or grade by agreement can request the Trust to permit them to take flexible retirement and if so, as part of an agreement to permit flexible retirement:

a) Whether in addition to the benefits the member has accrued prior to 1st April 2008 (which the member must draw), to permit the member to choose to draw all, part or none of the pension benefits accrued after 31st March 2008 and before 1st April 2014, and/or those accrued after 31st March 2014.

b) Whether to waive, in whole or in part, any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age [Regulation 30(8)].

A request for flexible retirement made to MacIntyre Academies will be approved only with the consent of the Trust Board Directors and only where there is a clear financial or operational advantage for the Trust by doing so.

Waiving of actuarial reductions in such cases will only be considered in exceptional circumstances and only where there is a clear financial or operational advantage for the Trust by doing so.

5.4 Paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (85 Year Rule Protections)

The discretion to apply the 85 year rule protections to members who choose to voluntarily draw their benefits on or after age 55 and before age 60, is made available at employer discretion under paragraph 1(1)(c).

The application of the 85 year rule protections will be considered only where there is a clear financial or operational advantage to MacIntyre Academies in doing so.

5.5 Regulation 30(5) and 30(8) (waving actuarial reductions)

Regulation 30(8) provides employers may waive any actuarial reductions that would otherwise apply under Regulation 30(5) where an active member voluntarily retires on or after age 55 and before Normal Pension Age i.e.:

a) Waive on compassionate grounds any actuarial reduction that would otherwise be applied to benefits accrued before 1st April 2014.

b) Waive, in whole or in part (on any grounds) any actuarial reduction that would otherwise be applied to benefits accrued after 31st March 2014.

Requests made to MacIntyre Academies for early unreduced payment of benefits on compassionate grounds (i.e. waiving of percentage reduction in respect of early retirement on compassionate grounds), will normally be considered only where a former member (with deferred benefits) is prevented from full-time working due to the need to provide long-term care for a dependent or by reason of permanent ill-health. Such applications are dealt with on the same basis for current employees and with the approval of the Trust Board Directors.

Waiving of actuarial reductions will be considered only where there is a clear financial or operational advantage to the Trust by doing so.

6. Other Discretions

6.1 Membership of the LGPS

Where a staff member's employment is full-time or part-time and their employment is for a period of three months or more, they shall automatically be enrolled as a member of the LGPS (or where applicable another appropriate pension scheme) up to the day before their 75th birthday.

Employees may at any time in the course of their employment opt out of the LGPS and make alternative arrangements. Notice can only be given after employment has commenced and the individual has been enrolled in the LGPS.

6.2 Employee Contribution Rates

LGPS member contribution rates are set by the LGPS, and can be found by visiting the LGPS website.

The Trust will allocate employees to a contribution band on 1 April. New staff, or existing staff who accept a new role with the Trust, will be allocated a contribution band on the basis of their contracted salary. The contribution band in respect of employees will be kept under review during the course of the year where there is a change in employment, or a material change which affects the member's pensionable pay.

Where an employee is absent from work on reduced or no contractual pay, retires with a Tier 1or Tier 2 ill health pension, or dies in service, the Trust will consider whether to include any regular lump sum payment received in the previous 12 months in calculating assumed pensionable pay. The decision will be made on a case by case basis by the Trust Board Directors, taking into account the nature of the payment and all of the circumstances.

6.3 Transfer of other pension benefits into the LGPS

Options to transfer other pension benefits into the LGPS must be made within 12 months of joining. Applications to transfer outside of the 12-month deadline will be considered on a case-by-case basis by the Trust Board of Directors and the admitting Administering Authority.

6.4 Paying additional contributions for a period of unpaid child related leave, strike or unpaid leave of absence

An election to pay additional contributions for a period of unpaid leave must usually be made within 30 days of the absence. Any extension to this period would be decided on a case by case basis by the Trust Board Directors.

LGPS members on maternity leave will remain on the contribution level relating to their full time salary. Contributions will be deducted from their gross pensionable pay.

6.5 Contributing to Shared-cost Additional Voluntary Contribution (SCAVC) arrangements

The employer can choose to (voluntarily) contribute towards the cost of purchasing Additional Voluntary Contributions via a shared-cost Additional Voluntary Contribution (SCAVC) entered into after 1 April 2014, and to continue to contribute to a shared SCAVC entered into before 1 April 2014.

MacIntyre Academies will not contribute to a SCAVC for any of its employees without prior approval being granted by the Trust's Board of Directors, which will only be considered in exceptional circumstances and where there is a clear financial or operational advantage to be gained by the Trust by doing so.

6.6 Converting scheme AVCs into membership credit after leaving the scheme

Applications to convert scheme AVCs into membership credit, where this is permitted by the relevant Regulations, should be made whilst an active member of the scheme or, within 30 days of cessation of active membership. Applications made more than 30 days after cessation of active membership will be considered by the Trust Board of Directors but may not be approved.

6.6 Pay decreasing before benefits become payable

The final year's pay when leaving the LGPS will be used to work out benefits built up **before 1 April 2014**. Any future pay increases will be included in the final pay used to work out these benefits.

The definition of final pay for benefits built up before April 2014 remains the same as it was before the Scheme changed. Final pay is normally the pay in respect of the final year of scheme membership on which contributions have been paid, or one of the previous 2 years if this is higher. This remains so from April 2014.

In addition, if pay is reduced, or increases to pay are restricted in the last 10 years of continuous employment with an employer, the scheme member continues to have the option to have all pre-April 2014 membership based on the average of any 3 consecutive years' pay in the last 13 years (ending on a 31 March).

If there is a certificate of protection, issued by an employer for a reduction or restriction in pay beyond the scheme member's control before 1 April 2008 and the member leaves the LGPS within 10 years of the reduction or restriction, then this protection continues to apply after April 2014 for benefits built up in the final salary scheme.

7. Process

Existing MacIntyre Academies employees who are LGPS Members and ex-employees with deferred LGPS benefits, may make an application under the discretions set out in section 5 and 6 of this policy (where applicable) by putting the request in writing to:

Clerk to the Trust Board
MacIntyre Academies Trust
Seebeck Place
Knowlhill
Milton Keynes
MK5 8FR

All decisions made under this Policy will be referred to MacIntyre Academies' Trust Board Directors at the next available Board Meeting. Decisions will be confirmed in writing (usually within 30 days from the date of the meeting), though timescales may vary, for example, where additional financial advice is required before a decision can be made. Applicants will be informed where there is likely to be a delay in timescales including reasons for delay and when a decision may be expected.

8. Dispute Resolution

Disputes regarding decisions made, must be referred to the Trust Finance Manager by setting out the grounds for appeal in writing within 30 days of receipt of outcome:

Trust Finance Manager
MacIntyre Academies Trust
Seebeck Place
Knowlhill
Milton Keynes
MK5 8FR

The Trust Finance Manager will arrange for an impartial person(s) such as the receiving authority (where appropriate) or external independent person(s) to hear any appeal. The appeal process will review how the initial decision was reached.

Details of arrangements for any appeal, will be confirmed in writing (usually within 30 days from the date the appeal was received in writing), although timescales may vary. Applicants will be informed where there is likely to be a delay in timescales including reasons for delay and expected timescales.

Appendices

Appendix 1 – Glossary of Terms

85 Year Rule
The 85-year rule was a rule by which if a staff member's age plus years of service added together equalled 85, they could retire with full pension. This rule was "switched off" by the new pension regulations.

Actuarial valuation
The valuation of a pension fund by a suitable qualified person (actuary) for decisions to be made on the level of funding required to enable to pension fund to meet all liabilities.

Actuary (Pensions Actuary)
A qualified professional who examines the funds, members and costs before making recommendations on the size of the contributions that should be made into the pension in order that it can meet its liabilities.

APC
Additional Pension Contributions – a member paying additional contributions to buy an additional amount of pension in the scheme.

AVC
Monies deducted directly from pay, through an AVC provider, to provide additional retirement benefits

CARE
Career Average Revalued Earnings. The LGPS became a CARE Scheme in 2014. Details of the LGPS CARE scheme can be found on page 2 of this document or full details of the new pension can be found at www.lgps2014.org

Normal Pension Age
For the pension built up from 1 April 2014, the Normal Pension Age is the same as the LGPS member's state pension age.

Pensionable pay
The amount of pay on which a member pays contributions. From 1st April this includes non-contractual as well as contractual overtime and any additional hours worked in excess of contractual hours. For part-time members of staff contributions are based on their part-time pay, not full-time equivalent pay.

SCAPC
Shared Cost Additional Pension Contributions – an election to purchase pension where the costs are shared between the employee and the employer.

Version history:

Version	Purpose/Change	Responsibility	Date
V2	Change of footer details; a) Person Responsible from Chief Operating Officer to Chief Executive Officer. b) Updated review dates.	MAT	12th December 2019
	3) Schedule of Responsibilities; a. Change of title COO to CEO b. Change of department from Finance team to Payroll Team c. Change of payroll provider from Carval to Civica d. Change of title HR and Recruitment Manager to Head of Support Services		
	5.1) Regulation 31: a. Amount updated from £6,500 to £6,822 b. Date updated from 1st April 2014 to 1st April 2018		
	5.2) Regulations 16(2)(e) and 16(4)(d); a. Amount updated from £6,500 to £6,822 b. Date updated from 1st April 2014 to 1st April 2018 c. The comment 'will be increased each April' has been amended to 'as at 1st April 2014 is revalued each April (starting April 2015)' d. The following comment has been added: 'The uprated figure as at April 2018 is £6,822'		
	6.2) Employee Contribution Rates; a. Description 'months' has been added after the number 12.		
	8) Dispute Resolution; a. Title changed from Trust Finance Officer to Trust Business Manager and address change to Milton Keynes Office		
V3	Change of footer details; a) Updated review dates.	TBM	10th December 2020
	5.1) Regulation 31: a. Amount updated from £6,822 to £7,194 b. Date updated from 1st April 2018 to 1st April 2020		
	5.2) Regulations 16(2)(e) and 16(4)(d); a. Amount updated from £6,822 to £7,194 b. Date updated from 1st April 2018 to 1st April 2020 c. Date update from April 2018 to April 2020		
V4	5.1) Regulation 31: Amount updated from £7,194 to £7,316 in sections 5.1 and 5.2) Regulations 16(2)(e) and 16(4)(d); Amount updated from £7,194 to £7,316 Other updates: - MAT CEO updated to Group Director Responsibility for policy update changed from Trust Business Manager (TBM) to Head of Operations (HoO)	HoO	07 January 2022
V5	5.1) Regulation 31: Date updated from 1st April 2020 to 1st April 2021 in sections 5.1 and 5.2) Regulations 16(2)(e) and 16(4)(d);	HoO	23 February 2023
V6	- Roles updated to reflect current. - Trust registered address updated - 5.1) Regulation 31: Additional Pension Contribution updated to reflect 2023/2024 rate (£8344) - Link to LGPS member website added	Head of Opeations	April 2024