

Local Government Pension Scheme Discretions Policy Derbyshire Pension Fund.

1. Purpose

- 1.1 The purpose of this document is to set out what discretions The Two Counties Trust (The Trust) will exercise in various situations regarding employee Local Government Pension Scheme (LGPS benefits) in the Derbyshire Pension Fund.
- 1.2 As the employer, the Trust is aware that it has a legal duty to prepare a publish a policy statement in relation to exercising a number of discretionary powers under the Regulations which apply to the LGPS.
- 1.3 This policy applies to the following schools who are members of the Derbyshire Pension Fund: Heritage High School (ref 613), Frederick Gent School (ref 632), Friesland School (ref 650), Wilsthorpe School (ref 678) and Swanwick Hall School (ref 392).

2. Scope

- 2.1 This policy applies to employees that are or who have been members of the LGPS which provides pension benefits to eligible public sector workers.
- 2.2 Derbyshire Pension Fund is the LGPS administrator for the Trust.

3. Responsibilities

- 3.1 All discretionary decisions will be taken by the Trust Board taking into account the financial position of the Trust. The decision must involve input from the Chief Financial Officer.
- 3.2 Employees have a responsibility to seek guidance and advice on the LGPS regulations from the Derbyshire Pension Fund. **[derbyshirepensionfund.org.uk](https://www.derbyshirepensionfund.org.uk)**.

4. Policy Directions

- 4.1 This policy is to be read in conjunction with the Derbyshire Pension Fund Employers Discretion Guidance
<https://www.derbyshirepensionfund.org.uk/site-elements/documents/pdf/guide-to-lgps-employer-mandatory-discretions.pdf>

Discretion	Regulation reference	DPF Guidance Reference	The Two Counties Trust Discretions Policy
Discretions relating to current contributing employees and leavers after 31 March 2014.			
Whether, how much, and in what circumstances to contribute to a shared cost APC scheme	R16(2)(e) & R16(4)(d)	1.1	The Two Counties Trust will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Whether, at full cost to the Scheme employer, to grant extra annual pension of up to £6,822 (figure at 1 April 2018) to an active member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency	R31	1.2	The Two Counties Trust will not normally grant any 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 consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer
Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age	R30(8)	2.1	The Two Counties Trust will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Whether to waive any actuarial reduction on pre and/or post April 2014 benefits paid early on compassionate grounds	TP3(1), TPSch 2, paras 2(1)	2.2	The Two Counties Trust will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, paras 1(2) and 2(2)	3	The Two Counties Trust will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.

Discretion	Regulation reference	DPF Guidance Reference	The Two Counties Trust Discretions Policy
Whether all or some benefits can be paid if an employee over 55 reduces their hours or grade (flexible retirement)	R30(6) & TP11(2)	4	The Two Counties Trust Policy is that all pension benefits are to be paid for cases agreed on reduction of hours or grade. See flexible retirement policy.
Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement	R30(8)	4 and/or 2.1	The Two Counties Trust will not normally waive the actuarial reduction for routine flexible retirements but will consider on a case by case basis waiving in whole or part for workforce reduction flexible retirements. See flexible retirement policy
Discretions relating to leavers between 1 April 2008 to 31 March 2014.			
Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30	B30(5), TPSch 2, para 2(1)	2.2	The Two Counties Trust will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A for a suspended tier 3 member.	B30A(5), TPSch 2, para 2(1)	2.2	The Two Counties Trust will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Whether to “switch on” the 85 year rule for a deferred member voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, paras 1(2) and 1(1)(c)	3	The Two Counties Trust will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Whether to “switch on” the 85 year rule for a suspended tier 3 member voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, paras 1(2) and 1(1)(c)	3	The Two Counties Trust will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.

Discretion	Regulation reference	DPF Guidance Reference	The Two Counties Trust Discretions Policy
Discretions relating to leavers between 1 April 1998 to 31 March 2008.			
Waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early.	31(5) & TPSch 2, para 2(1)	2.2	The Two Counties Trust will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Whether to “switch on” the 85 year rule for a deferred member voluntarily drawing benefits on or after age 55 and before age 60.	TPSch 2, para 1(2) & 1(1)(f) & R60	3	The Two Counties Trust will not normally exercise this discretion but may consider it under exceptional circumstances, taking into account the business case and foreseeable costs to the employer.
Grant application for early payment of deferred benefits on or after age 50 and before age 55.	31(2)	5	The Two Counties Trust will consider early release on a case by case basis, taking into account the business case, HMRC unauthorised payment charges and foreseeable costs to the employer.
Optants out only to get benefits paid from NRD if employer agrees.	31(7A)	6	The Two Counties Trust will allow optants out to only get benefits paid from normal retirement date (NRD)
Discretions relating to leavers before 1 April 1998.			
Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds.	TL4, L106(1) & D11(2)(c)	5	The Two Counties Trust will consider early release on a case by case basis, taking into account the business case, HMRC unauthorised payment charges and foreseeable costs to the employer.

5. General Data Protection Regulation

- 5.1 All data within this policy will be processed in line with the requirements and protections set out in the General Data Protection Regulation.

Document management

Review cycle:	3 years / if a legislative change takes place
Next review due:	August 2022
Policy owner	Chief Financial Officer
Discretionary Decision Maker	The Trust Board