



PENK VALLEY
ACADEMY TRUST

Local Government Pension Scheme, (LGPS), Regulations Policy statement on all eligible employees

Employer: Penk Valley Academy Trust

Under Regulation 60 of the LGPS Regulations 2013, (as amended), each scheme employer must publish and keep under review a Statement of Policy to explain how it will apply certain discretions allowed under the Pensions Regulations.

This statement is applicable to all employees of **Penk Valley Academy Trust** who are eligible to be members of the LGPS

Mandatory Policies

There is a requirement to publish the following five policies.

1. LGPS Regulations 2013 - Regulation 16(2)(e) and 16(4)(d) : Funding of additional pension contributions (shared cost):

Explanation	Employer's Policy
<p>An active member in the main section of the scheme who is paying contributions may enter into arrangements to pay additional pension contributions (APCs) by regular contributions or a lump sum. Such costs may be funded in whole or in part by the member's Scheme employer.</p> <p>The employer will need to determine a policy on whether it will make a contribution towards the purchase of extra pension.</p> <p>This 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 to pay a shared cost APC to cover the amount of pension "lost" during that period of absence. In these cases the employer <u>MUST</u> contribute 2/3rds of the cost (Regulation 15(5) of the LGPS Regulations 2013.</p>	<p>Penk Valley Academy Trust will allow active members to pay additional contributions (APC's), but will not contribute towards the purchase of additional pension.</p> <p>Below are the options available:</p> <p>Option 1 – To buy extra pension Option 2 – To buy 'lost' pension for unpaid leave of absence Option 3 – To buy 'lost' pension due to a trade dispute</p> <p>Option 1 and 3 – employees meet the full cost of APC's Option 2 is not available for PVAT employees</p>

2. LGPS Regulations 2013 - Regulation 30 (6): Flexible Retirement

Explanation	Employer's Policy
<p>An active member who has attained the age of 55 or over who reduces working hours or grade of an employment may, with the Scheme employer's consent, elect to receive immediate payment of all or part of the retirement pension to which that member would be entitled in respect of that employment if that member were not an employee in local government service on the date of the reduction in hours or grade, adjusted by the amount shown as appropriate in actuarial guidance issued by the Secretary of State.</p> <p>As an employer you need to determine the conditions under which you would approve a flexible retirement taking place.</p>	<p>Penk Valley Academy Trust has agreed to release pension where there is no cost and not to waive any reduction.</p> <p>Flexible Retirement</p> <ul style="list-style-type: none"> • Applications will be assessed subject to financial implications and business service need • Release of pension built up before 1 April 2008 will only be allowed • There will be no waiver of actuarial reduction in any circumstances <p>Penk Valley Academy Trust may however allow the release of pension where there is a cost or waive reduction in a potential redundancy situation, supported by a business case.</p>

3. LGPS Regulations 2013 – Regulation 30(8) replaced by Regulation (paragraph 2(1) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014): Waiving of actuarial reduction

Explanation	Employer's Policy
<p>An employer has the discretion, under a number of retirement scenarios, to waive actuarial reductions on compassionate grounds.</p> <p>The cost of which would fall upon the employer.</p>	<p>Penk Valley Academy Trust will always apply an actuarial reduction and a decision to waive such a reduction will not be considered.</p>

4. LGPS Regulations - Regulation 31: Power of employer to award additional pension

Explanation	Employer's Policy
An employer may resolve to award a member additional pension of not more than £6,500 (figure as at 1 April 2014) a year within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.	Penk Valley Academy Trust will not normally agree to award an additional pension under this regulation.

5. LGPS Regulations 2013 - Regulation (paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014): Switching on rule of 85

Explanation	Employer's Policy
<p>A member who has not attained normal pension age but who has attained the age of 55 or over, may elect to receive immediate payment of a retirement pension in relation to an employment if that member is not an employee in local government service in that employment, reduced by the amount shown as appropriate in actuarial guidance issued by the Secretary of State.</p> <p>In these circumstances (other than flexible retirement) the 85 year rule does not automatically apply to members who would otherwise be subject to it who choose to voluntarily draw their benefits on or after age 55 and before 60. The employer has the discretion to “switch on” the 85 year rule for such member (paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.</p> <p>If the employer does agree to switch back on the rule of 85, the cost of any strain on the fund resulting from the payment of benefits before age 60 would have to be met by the employer.</p>	<p>Penk Valley Academy Trust will:</p> <ul style="list-style-type: none"> • Consider each occurrence as it arises subject to the financial implications for the employer • Under no circumstances ‘switch on’ the 85 year rule

Discretionary Policies

There are a number of other discretions which Scheme employers may exercise under the LGPS Regulations 2013, whilst there is no requirement to have a written policy in respect of these there are another five in respect of which it would perhaps be appropriate for Scheme employers to have a written policy in order that members can be clear on these matters.

1. LGPS Regulations 2013 - Regulation 9 – allocation of contribution band

Explanation	Employer's Policy
This discretion allows the Employer to determine which contribution band is allocated on joining the scheme and at each April. It also determines the circumstances when an employee's band may be reviewed.	<ul style="list-style-type: none"> • To set employee contribution rates as at 1st April each year, • To consider a change to an employee's rate of pay where the employee requests a review as a result of a change in employment or material change in pensionable pay.

2. LGPS Regulations 2013 - Regulation 100 (6) – election to transfer within 12 months (inwards)

Explanation	Employer's Policy
This discretion allows the Employer extend the 12 month limit a member has in which to elect to transfer other pension rights into the LGPS. This has to be with the agreement of the Administering Authority	<p>Penk Valley Academy Trust will not normally allow an extension of the 12 month limit, but will consult the Administering Authority in making a decision.</p> <p>Extenuating circumstances may apply and this would include:</p> <ul style="list-style-type: none"> • Where evidence exists that an election was made within 12 months but his was not received by the administering authority • Where evidence exists that the member was not aware of the 12 month limit due to maladministration

3. LGPS Regulations 2013 – Regulation 17 - Shared Cost Additional Voluntary Contribution Facility

Explanation	Employer’s Policy
This discretion allows the Employer to maintain and contribute to an employee's Additional Voluntary Contribution Scheme.	<p>Penk Valley Academy Trust has not adopted this discretion.</p> <p>This will not have any effect on the existing AVC facility available where the employee only is able to make such contributions.</p>

4. LGPS Regulations 2013 - Regulation 100 (6) – election to transfer within 12 months

Explanation	Employer’s Policy
This discretion allows the Employer extend the 12 month limit a member has in which to elect to transfer other pension rights into the LGPS. This has to be with the agreement of the Administering Authority	<p>Penk Valley Academy Trust will not normally allow an extension of the 12 month limit, but will consult the Administering Authority in making a decision.</p> <p>Extenuating circumstances may apply and this would include:</p> <ul style="list-style-type: none"> • Where evidence exists that an election was made within 12 months but his was not received by the administering authority • Where evidence exists that the member was not aware of the 12 month limit due to maladministration

5. LGPS Regulations 2013 - Regulation 22 (7) and (8) – election to aggregate within 12 months of commencement

Explanation	Employer's Policy
<p>This discretion allows the Employer to extend the 12 month time limit a member has within which they must elect not to have deferred benefits aggregated with their new LGPS employment</p>	<p>Penk Valley Academy Trust will not normally extend this 12 month time limit</p> <p>Extenuating circumstances may apply and this would include:</p> <ul style="list-style-type: none"> • Where evidence exists that an election was made within 12 months but his was not received by the administering authority • Where evidence exists that the member was not aware of the 12 month limit due to maladministration

6. LGPS Regulations 2013 - Regulation 21 – assumed pensionable pay

Explanation	Employer's Policy
<p>This discretion allows the Employer to determine whether to include in the calculation of assumed pensionable pay the amount of any "regular lump sum payment".</p> <p>This is in cases where an employee's pay needs to be calculated where their pay has been reduced due to certain absences in order that they are not unduly advantaged or disadvantaged.</p>	<ul style="list-style-type: none"> • No adjustment to assumed pensionable pay will be made due to employee absences.

I confirm that should any of the decisions change in the future the Pensions Section will be notified immediately.

I have read the attached statements and certify that they are correct on behalf of:

Employer's Name: Penk Valley Academy Trust

Signed:



Date: 29/06/2018

Print Name: Mr Philip Tapp

Position: Chief Executive Officer

Please sign and copy. Keep one for reference and return the other to martin.griffiths@staffordshire.gov.uk