Every Opportunity for Every Child

Alpha Trust

Local Government Pension Scheme Discretions Policy

Alpha Trust Policy & Procedures No: AT P16

Committee:	Board of Trustees
Responsibility:	CFOO
Policy reviewed:	June 2025
Approved by Alpha Trustees:	09 July 2025
Review cycle:	Two years, or sooner depending on statutory changes or guidance
Review due:	July 2027
Adopted by all Alpha Trust Academies	

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Changes since previous version (June 2025)

Paragraph 4	New reference to the planned changes to the Minimum Pension Age which take effect from 6 April 2028.
Paragraph 5	Additional clarification that a break in service is not required in the case of Flexible Retirement.

Alpha Trust Local Government Pension Scheme (LGPS) Discretions Policy

Introduction

1. Under the LGPS Regulations 2013 effective from 1 April 2014, all employers participating in the LGPS are required to prepare and publish a written statement on how it will exercise the various discretions provided by LGPS 2014, LGPS 2008, LGPS 1997, Compensation and Injury Allowances Regulations.

2. This document includes discretionary policies for:

- LGPS Regulations 2013 as required by regulation 60;
- LGPS (Administration) Regulations 2008 as required by regulation 66;
- 1997 LGPS Regulations as required by regulation 106 (for pre-1 April 2008 leavers and/or councillor members as applicable).

Exceptional Compassionate Grounds

3. Financial hardship alone is not deemed sufficient grounds. For the purposes of this Policy, exceptional compassionate grounds are where an ex-member has had to give up paid employment to be the sole carer for a severely disabled or seriously ill dependent, and where reasonable additional support is not viable.

Future changes

4. The Government has confirmed that the Minimum Pension Age will increase from 55 to 57 with effect from 6 April 2028.

Employer Discretions – LGPS Regulations 2013

Discretion		Regulation	Employer Policy
1a	Whether, how much, and in what circumstances to contribute to shared APC or AVC scheme	R16(2)(e), R16(4)(D), R(17)(1), R17)1)(d)	The Alpha Trust will not set up a shared cost APC or AVC scheme. The only circumstances under which the Academy will contribute as required, is where an employee chooses, within 30 days following a period of authorised paid leave of absence, to purchase pension.
1b	Whether all or some benefits can be paid if an employee reduces hours of grade (flexible retirement)	R30(6),	The Alpha Trust will consent to the payment of benefits on flexible retirement if a member aged 55 permanently reduces their hours by at least 25% and/or grade and there is no financial strain to the Academy.
1c	Whether to waive, in whole or part, actuarial reduction on benefits paid on flexible retirement	R30(8)	The Alpha Trust will not waive actuarial reduction on a flexible retirement.
1d	Whether to waive, in whole or part, actuarial reduction on benefits which a member	R30(8)	The Alpha Trust will not waive, in whole or part, the actuarial reduction on benefits where a member voluntarily elects to draw their pension before normal pension age.

Discretion		Regulation	Employer Policy
	voluntarily withdraws before normal pension age.		
1e	Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.		The Alpha Trust will not "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60
1f	Whether to waive any actuarial reduction on pre and/or post April 2014 benefits.	B30(5) and B20A(5)	The Alpha Trust will not waive any actuarial reduction on pre and/or post April 2014 benefits.
1g	Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency.	R31	The Alpha Trust will not award additional pension to any member.

Additional Employer Discretions – LGPS Regulations 2013

Discretion		Regulation	Employer Policy
2a	Determine rate of employee's contributions	R9(1) 7 R9(3)	The Alpha Trust will allocate employees to a contribution band on 1 April, following an assessment of their previous years' earnings. New staff will be allocated a contribution band on the basis of their monthly contracted salary x 12. The allocation of a contribution band will not be reviewed during the year.
2b	In determining Assumed Pensionable Pay, whether a lump sum payment made in the previous 12 months is a "regular lump sum"	R21(5)	The Alpha Trust will determine that a bonus paid in a previous year is not a regular payment for the purposes of calculating AAP.
2c	Extend 12-month time limit for acceptance of a transfer value	R100(68)	The Alpha Trust will not extend the time limit for acceptance of a transfer value, other than in exceptional circumstances where the processing of the election was delayed, other than by the employee.

Discretion		Regulation	Employer Policy
2d	Extend 12-month time limit for acceptance of a request not to have deferred benefits aggregated with their new or concurrent LGPS employment	R22(8)(b), R22(7)(b)	The Alpha Trust will not extend the time limit for acceptance of a request not to have deferred benefits aggregated with their new or concurrent LGPS employment, other than in exceptional circumstances where processing of the election was delayed, other than by the employee.
2e	Which employees to nominate for membership (admission bodies only)	R3(1)(c) & R4(2) (b)	N/A
2f	Determine whether a deferred beneficiary meets the criteria for ill health pension benefits	R38(3)	The Alpha Trust will determine in line with the medical assessment as determined on the ill health certificate.
2g	Decide to suspend Tier 3 benefit where member is likely to be capable of undertaking gainful employment	R38(6)	The Alpha Trust will determine in line with the medical assessment as determined on the ill health certificate.
2h	Recover any overpayment of Tier3 ill health pension following commencement of gainful employment	R37(3)	The Alpha Trust will seek to recover any overpayment where a Tier3 pension has been paid after gainful employment has commenced.

Employer Discretions - LGPS (Administration) Regulations 2008

Discretion		Regulation	Employer Policy
3a	Whether to grant application for early payment of deferred benefits on or after age 55 and before age 60.	B30(2)	The Alpha Trust will not consent to applications for early payment of deferred benefits on or after age 55 and before age 60 other than on exceptional compassionate grounds as defined.
3b	Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30.	B30(5)(6)	The Alpha Trust will not consider waiving actuarial reductions for deferred benefits.
3c	Whether to grant an application for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60.	B30A(3)	The Alpha Trust will not consent to applications for early payment of a suspended tier 3 ill health pension on or after age 55 and before age 60 other than on exceptional compassionate grounds as defined.

Discretion		Regulation	Employer Policy
3d	Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30(A)	B30A(5)	The Alpha Trust will not consider waiving actuarial reductions.
3e	Whether, for a member leaving on the grounds of redundancy or business efficiency on or before 31st March 2014, to augment membership (by up to 10 years). The resolution to do so would have to be made within 6 months of the date of leaving.	B12	Not applicable – this discretion is spent entirely after 30th September 2014.

Employer Discretions – LGPS Regulations 1997 (as amended)

In relation to pre-1 April 2008 leavers

Discretion		Regulation	Employer Policy
4a	Grant application from a post 31st March 1998 / pre-1st April 2008 leaver for early payment of benefits on or after age 50/55 and before age 60.	31(2)	The Alpha Trust will not consent to applications for early payment of deferred benefits to those age 55+ other than on exceptional compassionate grounds as defined. Applications for those age 50-54 will not be considered due to the HMRC ruling that such payments are unauthorised.
4b	Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early for a post 31st March 1998 / pre-1st April 2008. Leaver.	31(5)	The Alpha Trust will not consider waiving actuarial reductions.

Employer Discretions – LGPS Regulations 1995 (as amended)

in relation to pre-1 April 1998 leavers

Discretion		Regulation	Employer Policy
5a	Grant applications for early payment of deferred pension benefits on or before age 50 and before age 65 on compassionate grounds.	D11(2)(c)	The Alpha Trust will not consent to applications for early payment of deferred benefits to those age 55+ other than on exceptional compassionate grounds as defined. Applications for those age 50-54 will not be considered due to the HMRC ruling that such payments are unauthorised.

Employer Discretions - LG (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006

Discretion		Regulation	
6a	To base redundancy payments on an actual week's pay where this exceeds the statutory week's pay limit.	5	The Alpha Trust will base redundancy payments on actual week's pay.
6b	To award lump sum compensation of up to 104 week's pay in cases of redundancy, termination of employment on efficiency grounds, or cessation of a joint appointment.	6	The Alpha Trust will not award lump sum compensation in cases of redundancy*, termination of employment on efficiency grounds, or cessation of a joint appointment. *except where so obliged by virtue of TUPE.

Employer Discretions - Local Government (Discretionary Payments) (Injury Allowance) Regulations 2011

Discretion		Regulation	
7a	Whether to grant an injury allowance following a reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties.	3 (1)	The Alpha Trust Policy is not to set up an Injury Allowance Scheme at this time.
7b	Amount of injury allowance following reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job.	3(4) and 8	The Alpha Trust Policy is not to set up an Injury Allowance Scheme at this time.
7c	Determine whether person continues to be entitled to an injury allowance awarded under regulation 3(1).	3(2)	The Alpha Trust Policy is not to set up an Injury Allowance Scheme at this time.
7d	Whether to grant an injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties if the job.	4(1)	The Alpha Trust Policy is not to set up an Injury Allowance Scheme at this time.
7e	Amount of injury allowance following cessation as a result of permanent incapacity caused by sustaining an injury or contracting a disease in the course of carrying out duties of the job.	4(3) and 8	The Alpha Trust Policy is not to set up an Injury Allowance Scheme at this time.

Discretion		Regulation	
7f	Determine whether person continues to be entitled to an injury allowance awarded under regulation 4(1).	4(2)	The Alpha Trust Policy is not to set up an Injury Allowance Scheme at this time.
7g	Whether to suspend or discontinue injury allowance awarded under regulation 4(1) if person secures paid employment for not less than 30 hours per week for a period of not less than 12 months.	4(5)	The Alpha Trust Policy is not to set up an Injury Allowance Scheme at this time.
7h	Whether to grant an injury allowance following cessation of employment with entitlement to immediate LGPS pension where a reg 3 payment was being made at date of cessation of employment but reg 4 does not apply.	6(1)	The Alpha Trust Policy is not to set up an Injury Allowance Scheme at this time.
7i	Determine whether and when to cease payment of an injury allowance payable under regulation 6(1)	6(2)	The Alpha Trust Policy is not to set up an Injury Allowance Scheme at this time.
7j	Whether to grant an injury allowance to the spouse, civil partner, nominated co-habiting partner or dependent of an employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job	7(1)	The Alpha Trust Policy is not to set up an Injury Allowance Scheme at this time.
7k	Determine amount of any injury allowance to be paid under regulation 7(1)	7(2) and 8	The Alpha Trust Policy is not to set up an Injury Allowance Scheme at this time.
7l	Determine whether and when to cease payment of an injury allowance payable under regulation (7)1	7(3)	The Alpha Trust Policy is not to set up an Injury Allowance Scheme at this time.

Break in service

5. The Pension Scheme expects that where an employee retires and accesses their pension that they are genuinely ceasing work by reason of retirement (i.e. not returning to similar employment). In any case, the Academy will require a minimum 31-day break if the employee is to return to work following retirement. A break is not required in the case of Flexible Retirement.

Alpha Trust

Appendix A - Application for Flexible Retirement

Local Government Pension Regulations (as amended)

APPLICATION FOR FLEXIBLE RETIREMENT

NAME:	
SCHOOL:	
NATIONAL INSURANCE NO:	
PAYROLL NO:	

Part one: Employee's declaration

Either:

I will reduce my grade*/ working hours*/ percentage* from ……………………….. to ……………………………..

The date for this change will be agreed with my line manager. If this change to my contract is agreed, I elect to receive immediate payment of my pension.

I understand that this election will not be valid unless my employer consents to the release of my pension.

I also understand that I may withdraw this election (and where appropriate the request to alter my contract) once I have considered my pension benefit estimate.

Or:

I have reduced my grade*/ working hours*/ percentage* from ……………………. to ………………….. with effect from (date) ……………………. I elect to receive immediate payment of my pension.

I also understand that I may withdraw this election once I have considered my pension benefit estimate.

*delete as appropriate

Signed:	
Date:	

This form should be submitted to your Headteacher / Principal

Part two: Headteacher / Principal consent

I confirm that the school supports the changes to the contract detailed in Part One from the date given*/ date to be agreed* and supports this application for flexible retirement.

I confirm that there will be no financial strain to the employer as a result of this retirement

*delete as appropriate

Signed (Headteacher / Principal):	
Name:	
Date:	

Part three: Governor consent

I confirm that there will be no financial strain to the employer as a result of this retirement and therefore confirm acceptance of this application.

Signed (Chair of LGB/Personnel/Finance Committee):	
Name:	
Date:	