

LOCAL GOVERNMENT PENSION SCHEME: DISCRETIONARY POLICY

**Issued: May 2017
Reviewed December 2025
Next Review Due: December 2028**

1.0 Introduction

1.1 Under Regulation 60 of the Local Government Pension Scheme Regulations 2013 (**the LGPS Regulations 2013**) and Paragraph 2(2) of Schedule 2 to the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (**the LGPS Transitional Regulations 2014**), the Trust is required to make and publish policy statements on how they will exercise five specific discretions.

1.2 The Regulations require that in formulating a Policy Statement, Bradford Diocesan Academies Trust must have regard to the extent to which the exercise of its discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service. The Regulations also require that the Trust must be satisfied that its Policy Statements are workable, affordable and reasonable having regard to the foreseeable costs.

1.3 These Policy Statements apply to all employees of Bradford Diocesan Academies Trust who are current, former (or eligible to be) members of the Local Government Pension Scheme. For the avoidance of any doubt these Policy Statements do not apply to teachers who are members of the Teachers' Pension Scheme.

1.4 It should be noted that that none of the following discretionary powers is a contractual benefit or entitlement but instead decisions are made at the sole discretion of Bradford Diocesan Academies Trust within its current published policies which may be reviewed and amended at any time by the Trust, again at its sole discretion.

2.0 Shared Cost Additional Pension Contribution

2.0.1 The provisions of Regulation 16 (of the LGPS Regulations 2013) allow an active member who is paying into the main scheme to enter into an arrangement to pay additional contributions, either by regular contributions (Regulation 16(2) (e)) or by a lump sum payment (Regulation 16(4) (d)). This may be funded in whole or in part by Bradford Diocesan Academies Trust.

2.1 Policy Statement

2.1.1 Bradford Diocesan Academies Trust **does not** consider the exercise of this discretion to be an integral part of its employment policy. Employees may fully fund their own additional pension contributions should they so wish.

2.1.2 This discretion would only be exercised in the most exceptional circumstances having regard to the Trust's general policies and the particular circumstances of the case. Bradford Diocesan Academies Trust will only consider exercising this discretion in the most exceptional circumstances having particular regard to the following:

- The interests of the Trust;
- Any potential benefits or savings to the Trust;
- The member's personal circumstances;
- The additional contributions due to the Fund;
- Bradford Diocesan Academies Trust's ability to meet the cost of granting such an award;

2.1.3 The funding position of Bradford Diocesan Academies Trust within the West Yorkshire Pension Fund.

2.1.4 Decisions as to whether to fund an active member's additional pension contributions shall be made by Bradford Diocesan Academies Trust's Board of Trustees.

3.0 Awarding Additional Pensions

3.0.1 The provisions of Regulation 31 (of the LGPS Regulations 2013) allow the employer to award additional annual pension up to the maximum allowed by the scheme rules provided that the member is active **or** within 6 months of leaving his/her employment when that employment was terminated on the grounds of redundancy or business efficiency or whose employment was terminated by mutual consent on grounds of business efficiency.

3.1 Policy Statement

3.1.1 Bradford Diocesan Academies Trust does not consider the exercise of this discretion in respect of employees whose employment is terminated on the grounds of redundancy or business efficiency, or terminated by mutual consent on the grounds of business efficiency, to be an integral part of its employment policy.

3.1.2 This discretion will only be exercised in the most exceptional circumstances having regard to Bradford Diocesan Academies Trust's general policies and the particular circumstances of the case. Bradford Diocesan Academies Trust does not consider the exercise of this discretion in relation to new hires or during employment to be an integral part of its recruitment and employment policy.

3.1.3 This discretion will only be exercised for recruitment or retention purposes in the most exceptional circumstances having regard to all the facts in each case though particularly where other elements available within the employee benefits package have not proved successful in securing recruitment or retention.

3.1.4 Bradford Diocesan Academies Trust will only consider exercising these discretions in the most exceptional circumstances having particular regard to the following:

- The interests of Bradford Diocesan Academies Trust;
- Any potential benefits or savings to the Trust;
- Other options that are, from time to time, available under Bradford Diocesan Academies Trust's severance arrangements;
- The member's personal circumstances;
- The additional contributions due to the Fund;
- The ability of the Trust to meet the cost of granting such an award;
- The funding position of Bradford Diocesan Academies Trust within the West Yorkshire Pension Fund.

3.1.5 Decisions as to whether to fund an active member's additional pension contributions shall be made by Bradford Diocesan Academies Trust's Board of Trustees.

4.0 Flexible Retirement

4.0.1 The provisions of Regulation 30 (6) (of the LGPS Regulations 2013) permits an employee who has attained the age of 55 or above and who is a member of the Local Government Pension Scheme to request to receive all or part of his/her pension benefits if s/he reduces the hours s/he works and/or the grade in which s/he is employed notwithstanding that s/he has not retired from pensionable employment. Any benefits paid are actuarially reduced to reflect early payment. This is known as "Flexible Retirement".

4.1 Policy Statement

4.1.1 Any person applying for Flexible Retirement must normally be prepared to agree to a reduction of at least 20% of contracted hours or accept a reduction in grade of at least one grade below the employee's previous grade at the point of application.

4.1.2 Bradford Diocesan Academies Trust will consider supporting an application made under Regulation 30 (6) provided there is evidence that if granted the application is cost neutral. The application will be considered on its individual merits and Bradford Diocesan Academies Trust shall have regard to the following:

- The operating requirements of the particular Department in which the individual works
- Whether there is evidence of demonstrable cost saving in excess of the potential savings to be made under current severance arrangements
- The individual's personal circumstances.

4.1.3 Any such application which is not cost neutral will only be considered in exceptional circumstances and where in the sole opinion of Bradford Diocesan Academies Trust there is supporting evidence justifying the approval of the application. In determining “exceptional circumstances” Bradford Diocesan Academies Trust shall have regard to the following:

- The interests of Bradford Diocesan Academies Trust.
- The operating requirements of the particular Department in which the individual works.
- The individual’s personal circumstances.
- The cost to Bradford Diocesan Academies Trust of meeting the request including the additional contributions due to the West Yorkshire Pension Fund by Bradford Diocesan Academies Trust in respect of the exercise of this discretion.
- Any potential benefits or savings to Bradford Diocesan Academies Trust arising from the exercise of this discretion for example whether there is evidence of demonstrable cost saving in excess of the potential savings to be made under current severance arrangements.
- Other options that are, from time to time, available under Bradford Diocesan Academies Trust’s severance arrangements.
- The funding position of Bradford Diocesan Academies Trust within the West Yorkshire Pension Fund.
- The ability of Bradford Diocesan Academies Trust to meet the cost of granting the request.

4.1.4 Decisions which are not cost neutral to the Trust shall be made by the Trust’s Board of Trustees.

5.0 Waiving Actuarial Reductions

5.0.1 The provisions of Regulation 30(8) (of the LGPS Regulations 2013) allow the employer to waive all or part of the actuarial reductions applied to a member’s benefits as follows:

- All of the reductions in respect of pre 1 April 2014 benefits *but only on compassionate grounds* (paragraph 2 of Schedule 2 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014);
- All or part of the actuarial reductions in respect of post 1 April 2014 benefits *on any grounds*.

5.1 Policy Statement

5.1.1 The made by Bradford Diocesan Academies Trust does not consider the exercise of this discretion to be an integral part of its employment policy.

5.1.2 This discretion will only be exercised in the most exceptional circumstances. Applications for Bradford Diocesan Academies Trust to waive all of the actuarial reductions applied to benefits for service before 1 April 2014 on the grounds of compassion will only be considered if:

- In Bradford Diocesan Academies Trust 's sole opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided, justify approval and
- Bradford Diocesan Academies Trust can meet the cost of granting such a request.

5.1.3 Applications for Bradford Diocesan Academies Trust to waive all, or part, of the actuarial reductions applied to benefits for service after 1 April 2014 will only be considered with regard to the following:

- In Bradford Diocesan Academies Trust's sole opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided, justify approval;
- There are demonstrable cost savings in excess of potential savings available under any severance arrangements in place from time to time;
- The request may facilitate further changes within the organisation which could lead to savings in future;
- Bradford Diocesan Academies Trust can meet the cost of granting such a request;

5.1.4 Decisions as to whether to waive the actuarial reductions applied to a member's pension benefits shall be made by the Trust's Board of Trustees.

6.0 Switching on the 85 Year Rule

6.0.1 The provisions of paragraph 1 (1) (C) of Schedule 2 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 allow the employer to 'switch on' the 85 year rule to allow members to receive benefits either unreduced or with a smaller reduction up to their 85 year rule date. The employer will be responsible for meeting any strain costs relating to benefits being paid before age 60.

6.1 Policy Statement

6.1.1 Bradford Diocesan Academies Trust does not consider the exercise of this discretion to be an integral part of its pay policy.

6.1.2 This discretion would only be exercised in the most exceptional circumstances having regard to Bradford Diocesan Academies Trust's general policies and the particular

circumstances of the case. Bradford Diocesan Academies Trust will only consider exercising this discretion in the most exceptional circumstances having particular regard to:

- The interests of the Trust;
- Whether any demonstrable cost saving in excess of potential savings available under any severance arrangements in place from time to time;
- Whether the request may facilitate further changes within the organisation which could lead to savings in future;
- Any potential benefits or savings to Bradford Diocesan Academies Trust;
- The member's personal circumstances;
- Bradford Diocesan Academies Trust 's ability to meet the cost of granting such a request;

6.1.3 Decisions as to whether to 'switch on' the 85 year rule shall be made by the Trust Board of Trustees.