

LGPS Directions & Statements Policy

Issue 7

Date *02-07-2024*
Owner *Chief Financial Officer*
Review Date *01-07-2025*

TO BE A BEACON OF **EDUCATIONAL EXCELLENCE**,
TRANSFORMING THE LIVES OF THE **INDIVIDUALS**
AND **COMMUNITIES** WE SERVE.

1. Introduction

The Corporation recognises two pension providers in respect of staff pensions, the Teachers' Pension Scheme and the Local Government Pension Scheme. This policy sets out details relevant to the provision of the Local Government Pension Scheme for professional services staff of the College.

The Greater Manchester Pension Fund is part of a nationwide pension scheme called the Local Government Pension Scheme. On 1 April 2014, a new scheme was introduced. All pensions in payment or built up before April 2014 are protected.

This document sets out the basis for consideration and guidance for premature retirement; redundancy added years; ill-health; flexible retirement and actuarially reduced pension benefits.

2. Scope

This policy applies to all employees of Salford City College.

3. Legislation

Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.

4. Background

Employers are required to produce and publish written policy statements on certain discretions contained within the LGPS Regulations (these are given below). Those policies must be published and disclosed to the administering authority within three months of the commencement date. The policies must be kept under review and any revisions must be published and disclosed to the administering authority within one month of the revised commencement date.

5. Published Discretions

<p>Section 1</p> <ul style="list-style-type: none"> • LGPS Regulations 2013 [SI 2013/2356] [R] • LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] [TP] • LGPS (Administration) Regulations 2008 [SI 2008/239] [A] • LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended) [SI 2007/1166] [B] • LGPS (Transitional Provisions) Regulations 2008 [SI 2008/238] [T] • LGPS Regulations 1997 (as amended) [SI 1997/1612] [L] 		<p>Discretionary policies from 1 April 2014 in relation to post 31 March 2014 active members (excluding councillor members) and post 31 March 2014 leavers (excluding councillor members)</p>
Regulation	Discretion	Employer Policy
R16(2)(e) & R16(4)(d)	Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.	Applications for the purchase of additional pension contributions and consideration of any amount so payable will only be considered in exceptional circumstances, where it is in the College's interest, and would require full Senior Leadership Team approval. Decisions will be made on the merits of each case subject to affordability.
R30(6) & TP11(2)	Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement).	The Senior Leadership Team would consider any request from a member aged 55 or over to reduce their hours and/or grade and would also consider (if consent is granted to the request) granting full or part payment of his/her accrued benefits (actuarially reduced if before age 65).
R30(8)	Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.	The College would not normally waive any actuarial reductions. In exceptional circumstances, where it is in the College's interests, the waiving of actuarial reductions would require Senior Leadership Team approval.
R30(8)	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age other	The College would not normally waive any actuarial reductions. In exceptional circumstances, where it is in the College's interests, the waiving of actuarial reductions

	<p>than on the grounds of flexible retirement (where the member only has post 31 March 2014 membership).</p>	<p>would require Senior Leadership Team approval.</p>
<p>TPSch 2, para 1(2) & 1(1)(c)</p>	<p>Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60 (other than on the grounds of flexible retirement).</p>	<p>The College would not normally elect to switch on the rule of 85 for a member drawing benefits before age 60. In exceptional circumstances, where it is in the College's interests, any proposal to switch on the rule of 85 would require Senior Leadership Team approval. This policy applies to post 31 March 2014 active members, post 31 March leavers and members who ceased membership before April 2014.</p>
<p>TP3(1), TPSch 2, para 2(1), B30(5) & B30A(5)</p>	<p>Whether to waive any actuarial reduction for a member voluntarily drawing benefits before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1 April 2014 and post 31 March 2014 membership):</p> <p>a) on compassionate grounds (pre 1 April 2014 membership) and / or, in whole or in part on any grounds (post 31 March 2014 membership) if the member was not in the Scheme before 1 October 2006,</p> <p>b) on compassionate grounds (pre 1 April 2014 membership) and / or, in whole or in part on any grounds (post 31 March 2014 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will not attain 60 between 1 April 2016 and 31 March 2020 inclusive,</p>	<p>The College would not normally waive any actuarial reductions. In exceptional circumstances, where it is in the College's interests, the waiving of actuarial reductions would require Senior Leadership Team approval.</p>

	<p>c) on compassionate grounds (pre 1 April 2016 membership) and / or, in whole or in part on any grounds (post 31 March 2016 membership) if the member was in the Scheme before 1 October 2006 and will be 60 by 31 March 2016,</p> <p>d) on compassionate grounds (pre 1 April 2020 membership) and / or, in whole or in part on any grounds (post 31 March 2020 membership) if the member was in the Scheme before 1 October 2006, will not be 60 by 31 March 2016 and will attain 60 between 1 April 2016 and 31 March 2020 inclusive.</p>	
<p>R31</p>	<p>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 (by up to £6,500 p.a. on 1 April 2014 - this figure is inflation proofed annually).</p>	<p>The College would not normally award additional pension. In exceptional circumstances, where it is in the College's interest, any proposal to award additional pension would require Senior Leadership Team approval.</p>

<p>Section 2</p> <ul style="list-style-type: none"> • LGPS (Administration) Regulations 2008 [SI 2008/239] [A] • LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended) [SI 2007/1166] [B] • LGPS (Transitional Provisions) Regulations 2008 [SI 2008/238] [T] • LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 [SI 2014/525] [TP] • LGPS Regulations 2013 [SI 2013/2356] [R] • LGPS 1997 (as amended) [1997/1612] [L] 		<p>Discretionary policies in relation to scheme members (excluding councillor members) who ceased active membership on or after 1 April 2008 and before 1 April 2014</p>
Regulation	Discretion	Employer Policy
<p>TPSch 2, para 1(2)& 1(1)(c)</p>	<p>Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.</p>	<p>The College would not normally elect to switch on the rule of 85 for a member drawing benefits before age 60. In exceptional circumstances, where it is in the College's interests, any proposal to switch on the rule of 85 would require Senior Leadership Team approval. This policy applies to post 31 March 2014 active members, post 31 March leavers and members who ceased membership before April 2014.</p>
<p>B30(5), TPSch 2, para 2(1)</p>	<p>Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 (member).</p>	<p>The College would not normally waive any actuarial reductions. In exceptional circumstances, where it is in the College's interests, the waiving of actuarial reductions would require Senior Leadership Team approval.</p>
<p>TPSch 2, para 1(2) & 1(1)(c)</p>	<p>Whether to “switch on” the 85 year rule for a pensioner member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60.</p>	<p>The College would not normally elect to switch on the rule of 85 for a member drawing benefits before age 60. In exceptional circumstances, where it is in the College's interests, any proposal to switch on the rule of 85 would require Senior Leadership Team approval. This policy applies to post 31 March 2014 active members, post 31 March leavers and members who ceased membership before April 2014.</p>

B30A(5), TPSch 2, para 2(1)	Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A (pensioner member with deferred benefits).	The College would not normally waive any actuarial reductions. In exceptional circumstances, where it is in the College's interests, the waiving of actuarial reductions would require Senior Leadership Team approval.
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Section 3 and Section 4 do not apply to SCC as we were admitted to the LGPS on 1/1/2009

Section 5 • The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended) [SI 2006/2914]		Discretionary policies in relation to employees of an employing authority that is defined under regulation 2 of The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended)
Regulation	Discretion	Employer Policy
5	To base redundancy payments on an actual week's pay where this exceeds the statutory week's pay limit.	The College's policy is to pay statutory redundancy but alternatives could be considered on a case by case basis where this is in the College's interest, and any such award would require Senior Leadership Team approval
6	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.	The College's policy is to pay statutory redundancy but alternatives could be considered on a case by case basis where this is in the College's interest, and any such award would require Senior Leadership Team approval

Section 6 • The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended) [SI 2000/1410]		Discretionary policies in relation to employees of an employing authority that is defined under regulation 2 of The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended)
Regulation	Discretion	Employer Policy
21(4)	How to apportion any surviving spouses or civil partner's annual compensatory added years' payment where the deceased person is survived by more than one spouse or civil partner.	The College would defer any such decision to the administering authority.
25(2)	How it will decide to whom any children's annual compensatory added years payments are to be paid where children's pensions are not payable under the LGPS (because the employee had not joined the LGPS) and, in such a case, how the annual added years will be apportioned amongst the eligible children.	The College would defer any such decision to the administering authority.
21(7)	Whether, in respect of the spouse of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries, enters into a new civil partnership or cohabits after 1 April 1998, the normal pension suspension rules should be disapplied i.e. whether the spouse's or civil partner's annual compensatory added years payments should continue to be paid.	The College would defer any such decision to the administering authority.
21(5)	If, under the preceding decision, the authority's policy is to apply the normal suspension rules, whether the spouse's or civil partner's annual	The College would defer any such decision to the administering authority.

	compensatory added years payment should be reinstated after the end of the remarriage, new civil partnership or cohabitation.	
21(7)	Whether, in respect of the spouse or civil partner of a person who ceased employment before 1 April 1998 and where the spouse or civil partner remarries or cohabits or enters into a civil partnership on or after 1 April 1998 with another person who is also entitled to a spouse's or civil partners annual CAY payment, the normal rule requiring one of them to forego payment whilst the period of marriage, civil partnership or cohabitation lasts, should be disapplied i.e. whether the spouses' or civil partners' annual CAY payments should continue to be paid to both of them.	The College would defer any such decision to the administering authority.
17	To what extent to reduce or suspend the member's annual compensatory added year's payment during any period of re-employment in local government.	The College would defer any such decision to the administering authority.
19	How to reduce the member's annual compensatory added year's payment following the cessation of a period of re-employment in local government.	The College would defer any such decision to the administering authority.

<p>Section 7 • The Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 [SI 2011/2954]</p>		<p>Discretionary policies each employing authority may apply in the exercise of its discretionary powers to make any award in respect of leavers, deaths and reductions in pay that occurred post 15 January 2012</p>
Regulation	Discretion	Employer Policy
3(1)	Whether to grant an 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.	Any such awards would be reviewed on an individual basis depending on circumstances and affordability, and would require Senior Leadership Team approval.
3(4) & 8	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.	Any such awards would be reviewed on an individual basis depending on circumstances and affordability, and would require Senior Leadership Team approval.
3(2)	Determine whether person continues to be entitled to an injury allowance awarded under regulation 3(1) (reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job).	Any such awards would be reviewed on an individual basis depending on circumstances and affordability, and would require Senior Leadership Team approval.
4(1)	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 of the job.	Any such awards would be reviewed on an individual basis depending on circumstances and affordability, and would require Senior Leadership Team approval.
4(3) & 8	Amount of injury allowance following cessation of employment as a result of permanent incapacity caused by sustaining an injury or	Any such awards would be reviewed on an individual basis depending on circumstances and affordability, and would require Senior Leadership Team approval.

	contracting a disease in the course of carrying out duties of the job.	
4(2)	Determine whether person continues to be entitled to an injury allowance awarded under regulation 4(1) (loss of employment through permanent incapacity).	Any such awards would be reviewed on an individual basis depending on circumstances and affordability, and would require Senior Leadership Team approval.
4(5)	Whether to suspend or discontinue injury allowance awarded under regulation 4(1) (loss of employment through permanent incapacity) if person secures paid employment for not less than 30 hours per week for a period of not less than 12 months.	Any such awards would be reviewed on an individual basis depending on circumstances and affordability, and would require Senior Leadership Team approval.
6(1)	Whether to grant an injury allowance following cessation of employment with entitlement to immediate LGPS pension where a regulation 3 payment (reduction in remuneration as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job) was being made at date of cessation of employment but regulation 4 (loss of employment through permanent incapacity) does not apply.	Any such awards would be reviewed on an individual basis depending on circumstances and affordability, and would require Senior Leadership Team approval.
6(1)	Determine amount of any injury allowance to be paid under regulation 6(1) (payment of injury allowance following the cessation of employment).	Any such awards would be reviewed on an individual basis depending on circumstances and affordability, and would require Senior Leadership Team approval.
6(2)	Determine whether and when to cease payment of an injury allowance payable under regulation 6(1) (payment of injury allowance following the cessation of employment).	Any such awards would be reviewed on an individual basis depending on circumstances and affordability, and would require Senior Leadership Team approval.
7(1)	Whether to grant an injury allowance to the spouse, civil partner, cohabiting partner (the requirement to nominate a co-	Any such awards would be reviewed on an individual basis depending on circumstances and

	<p>habiting partner has ceased entirely under these regulations due to the outcome of the Elmes v Essex high court judgement) 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.</p>	<p>affordability, and would require Senior Leadership Team approval.</p>
7(2) & 8	<p>Determine amount of any injury allowance to be paid to the spouse, civil partner, nominated co-habiting partner (for awards made on or after 1 April 2008 the requirement to nominate a co-habiting partner has ceased due to the outcome of the Elmes v Essex high court judgement) or dependent of an employee under regulation 7(1) (employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job).</p>	<p>Any such awards would be reviewed on an individual basis depending on circumstances and affordability, and would require Senior Leadership Team approval.</p>
7(3)	<p>Determine whether and when to cease payment of an injury allowance payable under regulation 7(1) (employee who dies as a result of sustaining an injury or contracting a disease in the course of carrying out duties of the job).</p>	<p>Any such awards would be reviewed on an individual basis depending on circumstances and affordability, and would require Senior Leadership Team approval.</p>

6. Documentation

The policy will be made available on the staff intranet and hard copies will be available from the Finance department. The policy is available in adapted formats on request.

7. Monitoring and Review

The policy will be reviewed by the Chief Financial Officer on a regular basis in accordance with legislative developments and the need for good practice.

Responsibility for Review:	Chief Financial Officer
Next Review Date:	July 2025
Endorsed by:	Group Principal & Chief Executive Senior Leadership Team