

# ARAMARK Limited

This document outlines ARAMARK's policy on exercising its discretion under the Local Government New Look Pension Scheme (LGPS) 2007

## Introduction

ARAMARK Limited has entered into the Avon Pension Fund (a section of the LGPS) under an Admitted Body Status agreement.

ARAMARK employees who transferred to ARAMARK under a contract with City of Bristol College dated xxxxxx (the 'employees') are entitled to remain in the Local Government Pension Scheme (LGPS).

Within the legislation, there is provision in specific areas for the employer to exercise discretion over the entitlements of its current or past employees. The employer must publish a written statement of how it intends to exercise such powers.

This document summarises ARAMARK's policy in relation to how it will exercise its discretionary powers under Benefit Regulations 12, 13, 18 and 30.

## Augmentation of Period of Membership (Benefits Regulation 12)

Increasing (i.e. augmenting by up to 10 years service) total membership is a power which employers may use. ARAMARK has no intention of making a general use of this power but may wish to consider its use in exceptional cases in the future.

## Awarding additional pension (Benefits Regulation 13)

ARAMARK may resolve to award a member additional pension of not more than £5,000 pa. With the exception of voluntary early retirements, which are explained below, ARAMARK has no intention of making use of this power in the foreseeable future.

## Flexible Retirement (Benefits Regulation 18)

An employee who is aged 55 or over (50 until 31 March 2010, age 55 from 1 April 2010 and new joiners from 1 April 2008), can request ARAMARK to allow him/her to access pension benefits whilst still remaining employed by ARAMARK.

This would only be in situations where the employee wishes to reduce hours and/or move to a lower graded post, and must be agreed by ARAMARK.

Flexible Retirement is aiming to assist a more gradual move into retirement over a period of years, by allowing an employee to work fewer hours and/or in a less demanding job, whilst at the same time drawing their pension. This may be of benefit to the employee, and also ARAMARK in terms of retaining the services of the employee.

The key factors in this scheme are:-

The acceptability to the employee of the level of pension he/she would receive.

The willingness of ARAMARK to agree to the specific flexible retirement requested.

ARAMARK's policy on Flexible Retirement is that an application will only be approved where:-

There are no pension costs to ARAMARK arising from the employee's flexible retirement and actuarial reduction will be applied to ensure this if necessary. (Pension estimates for Flexible Retirement from Avon Pension Fund will reflect this policy).

The Flexible Retirement will provide benefits to ARAMARK, for example financial savings or the facilitation of organisational or staffing changes and will not result in any detriment to the level of service.

IF the request is to work reduced hours, ARAMARK's assessment must be that there would be no operational problems caused, or recruitment difficulty anticipated, in making up the reduced hours.

IF the request is for a move to a lower graded post, this would be subject to an appropriate vacancy arising and the operation of ARAMARK's normal recruitment procedures in filling the post.

#### Voluntary early retirement (Benefits Regulation 30)

An employee aged 55 or over (50 until 31 March 2010, age 55 from 1 April 2010 and new joiners from 1 April 2008) but not yet 60, who wishes to voluntarily resign, may apply to ARAMARK for approval to the early payment of accrued pension benefits. ARAMARK has decided that such applications will only be accepted where it can be demonstrated as being in ARAMARK's interests or where there are compassionate grounds for the early release of pension benefits.

If ARAMARK agrees to permit early retirement with the immediate payment of pension benefits for reasons other than compassionate, an actuarial reduction will be applied to the person's accrued pension benefits. (For employees born before 1 April 1956, if the sum of their age and pensionable service is 85 or more, pension benefits are paid without an actuarial reduction for early payment, if they retire before 1 April 2016.)

If ARAMARK agrees on compassionate grounds, the accrued pension entitlement is paid without an actuarial reduction for early payment, but with no augmentation or enhancement.

[As a general rule, ARAMARK will only agree to the early release of pension benefits on compassionate grounds if it can be demonstrated that the person is unable to continue working or resume employment due to circumstances outside of their control. Financial reasons alone will not normally be considered sufficient grounds for the early release of benefits. ]