

CABOT LEARNING FEDERATION

LOCAL GOVERNMENT PENSION SCHEME

Policy Statement – Exercise of Discretionary Powers

Regulation 12 – Benefits regulations

Power of employing authority to increase total membership of active members by up to 10 years

This regulation allows Cabot Learning Federation (the Federation) to grant additional membership to employees (up to a maximum of 10 years membership). However granting additional membership would incur considerable costs for the Federation.

Guidelines: Augmented membership would not normally be granted under regulation 12, and such payments should only be granted on exceptional compassionate grounds.

Regulation 13 – Benefits regulations

Power of employing authority to award additional pension

This regulation allows the Federation to grant additional pension benefits to employees (up to a maximum of £5,000 annual pension benefits). However granting additional pension benefits would incur considerable costs for the Federation.

Guidelines: Additional pension benefits would not normally be granted under regulation 13, and such payments should only be granted on exceptional compassionate grounds.

Regulation 18 – Benefits regulations

Flexible retirement

Scheme members who are old enough can, with the Federation Board Members' consent, continue to work for the Federation on different (lower) terms and conditions (that is reduced hours or grade) and may request to draw their pension entitlements. Benefits payable before age 65 will be reduced in accordance with guidance issued by the Government Actuary. However, the Federation may choose to waive in whole or in part any such reduction. If the Federation so chooses it shall pay to the Fund the cost incurred as a result of such waiver as calculated by the Fund's Actuary. Any benefits paid as a result of flexible retirement are not subject to abatement in respect of any subsequent employment with the Federation. The minimum age for flexible retirement is age 55, unless the employee was a member of the Local Government Pension Scheme before 1st April 2008 and takes flexible retirement before 31st March 2010. In these circumstances the minimum age is 50.

Guidelines: Eligible scheme members can continue to work for the Federation on different (lower) terms and conditions (that is reduced hours or grade) and they may draw their pension entitlements at the same time. Unless there are exceptional circumstances (for example personal hardship, carer responsibilities for say partner, elderly parent or disabled child), the Federation should not waive the actuarial reduction.

Regulation 30 – Benefits regulations

Choice of early payment of pension

This regulation allows Federation to grant the early release of pension benefits for former employees, who had left the Federation before they were entitled to immediate payment of their pension benefits.

Guidelines: Such payments should only be granted on exceptional compassionate grounds, but in these circumstances their pension benefits should not be reduced because of the early payment.

Regulation 22 – Administration Regulations

Extending the time limit for members to pay contributions following a period of absence

A scheme member may elect to pay optional contributions to cover a period of absence of over 30 days from duty providing the option is made within 30 days of return to work or cessation of employment.

Guidelines: The Federation should allow employees taking more than 30 days unpaid leave the choice of whether or not to pay contributions, provided that they do so within 30 days of being advised of this option.

Regulation 47 – Administration Regulations

Exclusion of rights to a return of contributions

Fraud and misconduct - A scheme member who meets the normal criteria for a refund of pension contributions is not entitled to such a refund if he/she ceased employment due to an offence of a fraudulent character or due to grave misconduct unless the Federation directs that a total or partial refund may be made.

Guidelines: The Federation Board Members should consider a refund of contributions less any debt owed to the Federation by the employee (see Regulation 76 below).

Regulation 72 & 73 – Administration regulations

Forfeiture of pension rights after the conviction of employment-related offences

If a scheme member is convicted of, and ceases employment as a result of, an offence in connection with his/her employment which is gravely injurious to the State or liable to lead to a serious loss of confidence in the public service, the Federation can apply to the Secretary of State for the issue of a forfeiture certificate. If the Secretary of State issues a certificate the Federation may direct that any of the person's rights be forfeited.

Guidelines: Where the Federation has applied for a certificate and a certificate is issued by the Secretary of State, the Federation Board Members should then decide if it should be applied against the member's pension rights, i.e. the rights should be forfeited.

Regulation 73 – Administration regulations

Interim payments directions

Where the Secretary of State has issued a forfeiture certificate but the Federation has not applied the certificate nor notified the scheme member of an award of benefits under the LGPS, the Federation may direct that interim payments are made out of the Pension Fund until such time as it decides to apply the forfeiture certificate or to make an award of benefits.

Guidelines: Where the Secretary of State has issued a forfeiture certificate but the Federation has not applied the certificate nor notified the scheme member of an award of benefits under the LGPS the Federation Board Members should decide whether or not to direct that interim payments are made out of the Pension Fund.

Regulation 74 – Administration regulations

Recovery or retention where former member has misconduct obligation

Where a member:

- ceases employment in consequence of a criminal, negligent or fraudulent act or omission in connection with that employment and
- has incurred a monetary obligation arising therefrom to the Federation and
- is entitled to pension benefits under the LGPS, the Federation may recover the amount of the monetary obligation or the value of the members pension rights, if less, (other than transferred in pension rights) from the Pension Fund and reduce the member's benefits accordingly.

Guidelines: Federation Board Members should decide whether or not to make the appropriate recovery from the Pension Fund where the member has not made good the debt.

Regulation 76 – Administration regulations

Transfers of sums from the pension fund to compensate for member misconduct

Where:

- a member ceases employment in consequence of an offence involving fraud or due to grave misconduct in connection with that employment, and
- the Federation has suffered a direct financial loss resulting therefrom, and
- the member is entitled to benefits under the LGPS and a forfeiture certificate has been applied, or the member is entitled to a refund of pension contributions

the Federation may direct that the amount of the financial loss (or the refund of contributions, if less) be recovered from the Pension Fund.

Guidelines: The Federation Board Members may decide whether or not to make the appropriate recovery from the Pension Fund where the member has not made good the debt.

Regulation 83(8) – Administration

Inward transfers of pension rights

If a scheme member wishes to transfer pension rights into the LGPS he/she must opt to do so within 12 months of joining the LGPS "or such longer period as the employer may allow".

Guidelines: That the 12 month time limit be extended only where the scheme member has requested investigations to commence within the 12 month time period, i.e. a transfer can be concluded after the 12 months if proceedings have commenced within the 12 months period.