

LGPS DISCRETIONARY POLICY STATEMENT

The following is a statement of Chichester College Group's (the "Group") policy on the exercise of its Local Government Pension Scheme related discretions as required in accordance with Regulation 60 of the Local Government Pension Scheme Regulations 2013.

It covers all mandatory discretions for which a policy is required as well as some recommended discretions.

Chichester College Group retains the right to change these policies at any time.

The policies confer no contractual rights.

The policy which is current at the time a relevant event occurs to a LGPS member will be the one applied to that member.

This statement was approved by the Resources Committee 25 May 2022.

Section A - Discretions from 1 April 2014 in relation to post 31 March 2014 active members and post 31 March 2014 leavers

Applicable Regulations:

R = Local Government Pension Scheme (LGPS) Regulations 2013 (SI 2013/2356)

TP = LGPS (Transitional Provisions, Savings and Amendments) Regulations 2014

A = LGPS (Administration) Regulations 2008 (SI 2008/239)

B = LGPS (Benefits, Membership and Contributions) Regulations 2007 (as amended) (SI 2007/1166)

L = LGPS Regulations 1997 (as amended) (SI 1997/1612)

Area	Regulation	Discretion Type	Discretion	Chichester College Group's Policy
Shared Cost Additional Pension Contributions (APC) (to buy additional pension)	R16(2)(e) and 16(4)(d)	Mandatory	<p>Whether, how much and in what circumstances to contribute to a shared cost Additional Pension Contributions (APC) scheme</p> <p>A member can buy additional pension through an APC contract. The discretion is whether the employer will share the cost of the APC</p>	<p>The Group will not ordinarily enter into any Shared Cost APC scheme.</p> <p>The Group may consider individual requests to contribute to a Shared Cost APC scheme and will consider each case on its own merits taking into account factors such as the personal circumstances of the member, the financial cost and operational benefits.</p>
Flexible Retirement	R30(6) TP11(2) TP11(3)	Mandatory	<p>Whether to permit flexible retirement for staff aged 55 or over who, with the agreement of the Group, reduce their working hours or grade; and if so, as part of the agreement to permit flexible retirement whether, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw), to permit the member to choose to draw</p> <ul style="list-style-type: none"> ▪ all, part or none of the pension benefits they accrued after 31 March 2008 and before 1 April 2014, and / or ▪ all, part or none of the pension benefits they accrued after 31 March 2014 	<p>The Group will consider applications in accordance with its Flexible Retirement Policy on ChiDrive.</p>

Flexible Retirement (cont.)	R30(8) TP3(5)	Mandatory	Whether to waive, in whole or in part, actuarial reduction to benefits paid on flexible retirement	The Group will not ordinarily waive, in whole or part, any actuarial reduction on flexible retirement unless there are exceptional reasons for doing so. The Group will consider each case on its own merits taking into account factors such as the personal circumstances of the member, the financial cost and operational benefits.
Granting Additional Pension	R31	Mandatory	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 £7,194 p.a - figure at 1 April 2020. This is inflation proofed annually)	The Group will not ordinarily grant additional pension to a member. The Group may consider individual requests to award additional pension and will consider each case on its own merits taking into account factors such as the personal circumstances of the member, the financial cost and operational benefits.
Rule of 85	TP Sch. 2, para 1(1)(c) and (1)(2)	Mandatory	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)	The Group will not ordinarily switch on the Rule of 85 unless there are exceptional reasons for doing so. The Group will consider each case on its own merits taking into account factors such as the personal circumstances of the member, the financial cost and operational benefits.
Waive Reduction	R30(8)	Mandatory	Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member only has post 31/3/14 membership)	The Group will not ordinarily waive, in whole or part, any actuarial reduction on voluntary early retirement unless there are exceptional reasons for doing so. The Group will consider each case on its own merits taking into account factors such as the personal circumstances of the member, the financial cost and operational benefits.
Waive Reduction (cont.)	TP 3(1), TP Sch. 2, para 2(1)(c)	Mandatory	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 1/4/14 and post 31/3/14 membership): a) on compassionate grounds (pre 1/4/14	The Group will not ordinarily waive, in whole or part, any actuarial reduction on voluntary early retirement unless there are exceptional reasons for doing so. The Group will consider each case on its own merits taking into account factors such as the personal circumstances of the member, the financial cost and operational benefits.

			<p>membership) and in whole or in part on any grounds (post 31/3/14 membership) if the member was not in the Scheme before 1/10/06,</p> <p>b) on compassionate grounds (pre 1/4/14 membership) and in whole or in part on any grounds (post 31/3/14 membership) if the member was in the Scheme before 1/10/06, will not be 60 by 31/3/16 and will not attain 60 between 1/4/16 and 31/3/20 inclusive</p> <p>c) on compassionate grounds (pre 1/4/16 membership) and in whole or in part on any grounds (post 31/3/16 membership) if the member was in the Scheme before 1/10/06 and will be 60 by 31/3/16</p> <p>d) on compassionate grounds (pre 1/4/20 membership) and in whole or in part on any grounds (post 31/3/20 membership) if the member was in the Scheme before 1/10/06, will not be 60 by 31/3/16 and will attain 60 between 1/4/16 and 31/3/20 inclusive</p>	
Shared cost Additional Pension Contributions (to buy lost pension following a period of authorised unpaid absence)	R16(16)	Recommended	If a member has an authorised unpaid absence (not including illness or injury, relevant child-related leave or reserve forces service leave) and within 30 days of returning to work they elect to buy back the lost pension, the employer must share the cost (2/3rds) The discretion is whether to extend the 30 day deadline for a member to elect for a shared cost APC	The Group will not ordinarily extend the deadline for a member to elect for a shared cost APC unless there is evidence of administrative shortcomings by the Group.

Transferring in non LGPS pension rights	R100(6)	Recommended	Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS	The Group will not ordinarily allow members to opt to transfer pension rights beyond the 12 month period unless there are exceptional circumstances and/or if there is evidence of administrative shortcomings by the Group.
Transferring in LGPS pension rights (only for post 1.4.14 re-joiners)	R22(8)(b)	Recommended	Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with a new employment	The Group will not ordinarily extend the 12 month option period beyond 12 months unless there are exceptional circumstances and/or if there is evidence of administrative shortcomings by the Group.
Transferring in LGPS pension rights (only for post 1.4.14 re-joiners)	R22(7)(b)	Recommended	Whether to extend the 12 month option period for a member to elect that deferred benefits should not be aggregated with an ongoing concurrent employment	The Group will not ordinarily extend the 12 month option period beyond 12 months unless there are exceptional circumstances and/or if there is evidence of administrative shortcomings by the Group.
Transferring in LGPS pension rights (only for pre 1.4.14 re-joiners)	A16(4)(b)(ii)	Recommended	Whether to extend the 12 month option period for aggregation of deferred benefits	The Group will not ordinarily permit aggregation beyond 12 months unless there are exceptional circumstances and/or if there is evidence of administrative shortcomings by the Group.
Transferring in LGPS pension rights (i.e. final salary benefits which will buy CARE pension only for post 1.4.14 re-joiners)	TP10(6)	Recommended	Whether to extend the 12 month option period for a member (who did not become a member of the 2014 Scheme by virtue of TP5 (1)) to elect that pre 1 April 2014 deferred benefit should be aggregated with a new employment	The Group will not ordinarily permit aggregation beyond 12 months unless there are exceptional circumstances and/or if there is evidence of administrative shortcomings by the Group.
Employee Contribution Rate	R9(1) and 9(3)	Recommended	Employers to assess the relevant contribution band to determine the rate of employee contribution. Banded contribution rates for employees are based on actual pensionable pay received and not whole time equivalent salary. Employers to allocate appropriate band at each 1 April and determine other	On 1st April each year, the Group will allocate the appropriate band for all members' pensionable pay based on their earnings scale. This will not change during the financial year unless there is a post change or cessation of salary protection arising from that change. For new posts commencing during the year, their band will depend on starting salary. Only

			circumstances in which the banding will be reviewed.	permanent changes to pensionable pay will result in re banding.
Shared Cost AVCs	R17(1) & definition of SCAVC in RSch 1	Recommended	Whether, how much, and in what circumstances to contribute to shared cost AVC arrangements	The Group will not enter into SCAVCs.
Pensionable payments	R20(1)(b)	Recommended	Specify in an employee's contract what other payments or benefits, other than those specified in R20(1)(a) and not otherwise precluded by R20(2), are to be pensionable	The Group reserves the right to specify what, if any, other payments or benefits are to be pensionable in accordance with the Regulations.

Section B - Discretions in relation to scheme members) who ceased active membership on or after 1 April 2008 and before 1 April 2014

Applicable Regulations:

A = LGPS (Administration) Regulations 2008

B = LGPS (Benefits, Memberships and Contributions) Regulations 2007

T = LGPS (Transitional Provisions) Regulations 2008 (SI 2008/238)

Area	Regulation	Discretion Type	Discretion	Chichester College Group's Policy
Waive Reduction	B30(5)	Mandatory	Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early under B30 (member)	Applications from deferred members will only be considered on compassionate grounds. The Group will not ordinarily waive, in whole or part, any actuarial reduction on early retirement unless there are exceptional reasons for doing so. The Group will consider each case on its own merits taking into account factors such as the personal circumstances of the member and the financial cost.
Waive Reduction	B30A(5)	Mandatory	Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early under B30A (pensioner member with deferred benefits, i.e. a suspended tier 3 ill health pensioner)	The Group will not ordinarily waive, in whole or part, any actuarial reduction on early retirement unless there are exceptional reasons for doing so. The Group will consider each case on its own merits taking into account factors such as the personal circumstances of the member and the financial cost.

Section C - Discretions in relation scheme members who ceased active membership on or after 1 April 1998 and before 1 April 2008

Applicable Regulations:

L = LGPS Regulations 1997 (as amended) (SI 1997/1612)

R = LGPS Regulations 2013([SI 2013/2356)

TP = LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (SI 2014/525)

Area	Regulation	Discretion Type	Discretion	Chichester College Group's Policy
Employer Consent Retirement	L31(2)	Mandatory	Grant application for early payment of deferred benefits on or after age 50 and before age 55	The Group will not grant early payment of deferred benefits before the age of 55
Waive Reduction	L31(5) and TPSch 2, para 2(1)	Mandatory	Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits paid early	Applications from deferred members will only be considered on compassionate grounds. The Group will not ordinarily waive, in whole or part, any actuarial reduction on early retirement unless there are exceptional reasons for doing so. The Group will consider each case on its own merits taking into account factors such as the personal circumstances of the member and the financial cost.
Employer consent at Normal Retirement Date for optant out	L31(7A)	Mandatory	Where a member who opted out of the scheme continues to be employed by a Scheme employer, the member is only entitled to receive their benefits at NRD if their employer consents to them doing so (in respect of a member who opted out of the scheme after 31 March 1998 and before 1 April 2008)	The Group will agree to optants out being able to get benefits paid from their NRD.
Rule of 85	TP Sch. 2, para 1(2)) and (1)(1)(f) and R60	Mandatory	Whether to "switch on" the Rule of 85 for a member with deferred benefits voluntarily drawing benefits on or after age 55 and before age 60	The Group will not ordinarily switch on the Rule of 85 for a deferred member unless there are exceptional reasons for doing so. The Group will consider each case on its own merits taking into account factors such as the personal circumstances of the member and the financial cost.

Section D - Discretions in relation to scheme members who ceased active membership before 1 April 1998

Applicable Regulations:

LGPS Regulations 1995 (as amended) (SI 1995/1019)

TL = LGPS (Transitional Provisions) Regulations 1997 (SI 1997/1613)

Area	Regulation	Discretion Type	Discretion	Chichester College Group's Policy
Employer Consent Retirement	TP3(5A)(vi) TL4 & L106(1) & D11(2)(c)	Mandatory	Grant application for early payment of deferred benefits on or after age 50 on compassionate grounds	The Group will not grant applications for early payment of deferred benefits between the ages of 50 and 55. Over the age of 55, the Group will consider on a case by case basis.

Signed


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Position

CEO
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Date

5/9/22
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