

HARPER ADAMS UNIVERSITY

1. This document presents the Harper Adams University **discretionary policies under the Local Government Pension Scheme Regulations and other related Regulations:**
 - i) under the LGPS Regulations 2013 from 1 April 2014 in respect of members of the Career Average Revalued Earnings (CARE) scheme,
 - ii) under earlier LGPS Regulations in respect of former employees who were members of the LGPS and who left prior to 1 April 2014.

Background

2. In March 2011, the Independent Public Service Pensions Commission, chaired by Lord Hutton, published its final report of the review of public service pensions. The report made clear that change was transparent, [and] fairer to those on low
3. As a result, it was decided that the Local Government Pension Scheme (LGPS) should be reformed so that, from 1 April 2014, benefits accrue on a Career Average Revalued Earnings (CARE) basis rather than on a final salary basis.
- 4.

- ii) recommended to formulate, publish and keep under review a written Statement of Policy on one discretion under the Local Government Pension Scheme Regulations 1995 (in respect of leavers before 1 April 1998).
 - iii) required to formulate, publish and keep under review a written Statement of Policy on certain discretions in accordance with regulation 26 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000, operative from 1 October 2000 for terminations of employment on redundancy or efficiency grounds that occurred prior to 1 April 2007.
9. In formulating and reviewing its policies under the LGPS Regulations referred to in paragraphs 8(i) and (ii) above Harper Adams University is required to have regard to the extent to which the exercise of its discretionary powers might lead to a serious loss of confidence in the public service.

Effective date of policies

10. The policies on discretions to be exercised under the LGPS Regulations 2013 take immediate effect from the date Harper Adams University agrees the policies. Any change to the policies on existing discretions to be exercised under the LGPS Regulations in respect of former employees who were members of the scheme and who left pre 1 April 2014 take immediate effect from the date Harper Adams University agrees the policies.

Annex 1

Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations 2013 in relation to active scheme members and members who cease active membership after 31 March 2014.

1. Harper Adams University will not make use of the discretion to grant extra annual pension of up to £6,675 (figure at 1 April 2015) to an active scheme member or, within 6 months of leaving, to a member who is dismissed by reason of redundancy or business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency except in exceptional circumstances where Harper Adams University

- will be considered on the merits of the financial and or operational business case put forward,
- will set out whether, in addition to any pre 1 April 2008 benefits, the member will be permitted, as part of the flexible retirement agreement, to take
 - a) all, some or none of their 1 April 2008 to 31 March 2014 benefits, and /or
 - b) all, some or none of their post 31 March 2014 benefits, and
- will require the approval of the Staffing Committee.

Where flexible retirement is agreed, the benefits payable will be subject to any actuarial reduction applicable under the Local Government Pension Scheme Regulations and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014. Harper Adams University will only waive any such reduction, in whole or in part, where it considers it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and/or operational business case put forward and will require the approval of the Staffing Committee including, where the reduction is only to be waved in part, approval for the amount of reduction to be waived.

4. Harper Adams University will not agree to apply the 85 year rule where members choose to voluntarily draw their benefits on or after age 55 and before age 60 except in circumstances where Harper Adams University considers it is in its financial or operational interests to do so. Each case

- will be considered on the merits of the financial and / or operational business case put forward, and
- will require the approval of the Staffing Committee.

5. Where members choose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age Harper Adams University will not agree to waive in whole or in part any actuarial reduction that would otherwise be applied to their benefits except in circumstances where Harper Adams University considers it is in its financial or operational interests to do so or there are compelling compassionate¹ reasons for doing so.

Each case

- will be considered on the merits of the financial and/or operational business case put forward, or
- will be considered on the merits of the compassionate case put forward, and
- will require the approval of the Staffing Committee including, where the reduction is only to be waved in part, approval for the amount of reduction to be waived

6. Harper Adams University will not enter into a shared cost AVC arrangement other than:

- in exceptional circumstances in which case the decision to contribute, and the amount of the contribution, will be subject to the approval of the Staffing Committee.

7. Harper Adams University will only extend the 12 month time limit within which a scheme member who has a deferred LGPS benefit in England or Wales following the cessation of

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that, for example, releasing benefits because the member is short of funds / out of work would not be appropriate (as the pension scheme is not a social security scheme); whereas, for example, releasing benefits because the member has had to give up work to look after orphaned grandchildren would clearly be a case where an employer might wish to exercise compassion.

an employment (or cessation of a concurrent employment) after 31 March 2014 may elect not to have the deferred benefits aggregated with their new LGPS employment (or ongoing concurrent LGPS employment):

- a) where Harper Adams University agrees that the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration;
- b) where Harper Adams University agrees that the available evidence indicates the member had made an election within 12 months of joining the LGPS but the election was not received by the Pension Fund administering authority (e.g. the election form was lost in the post); or
- c) where the member has pre 1 April 2014 membership and Harper Adams University agrees the available evidence indicates that, due to maladministration, the member had not been informed of the implications of having benefits aggregated and would, in consequence, suffer a detriment to their pension benefits (for example, where -time equivalent pensionable pay on commencing with Harper Adams University is, in real terms after allowing for inflation, significantly less than the whole-time equivalent pensionable pay upon which the deferred benefits were calculated).

8. Harper Adams University will only extend the 12 month time limit within which a scheme member must make an election to transfer other pension rights into the LGPS after joining the LGPS:

- where the member asked for transfer investigations to be commenced within 12 months of joining the LGPS but a quotation of what the transfer value will purchase in the LGPS has not been provided to the member within 11 months of joining the LGPS. The time limit for such a member to make a formal election to transfer pension rights into the LGPS will be extended to one month beyond the date of the letter issued by the Pension Fund administering authority notifying the Scheme member of the benefits the transfer will buy in the LGPS;
- where the available evidence indicates the member made an election within 12 months of joining the LGPS, but the election was not received by the Pension Fund administering authority (e.g. the election form was lost in the post);
- where the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration.

9. The determination of the LGPS pension contribution rate at Harper Adams University is undertaken as follows:

- a) allocating a member to a contribution rate as at 1 April 2014: an employee's salary i.e. basic pay + overtime + any other adhoc payments, is totalled for the tax year 2013/2014. The contribution rate is then applied in accordance with LGPS bandings table as per scheme regulations.
- b) allocating a new member to a contribution rate on joining the Scheme (after 1 April 2014): in accordance with LGPS regulations a new member is joined in the scheme at the contribution rate determined by their total salary. The appropriate contributions are applied in accordance with the LGPS bandings table as per scheme regulations.
- c) reallocating a member to a new contribution rate during a Scheme year (1 April to 31 March). The member's pay is reviewed half yearly to include all pay items i.e. basic pay + OT + any other adhoc payments. Where pay has increased or decreased, the banding is reviewed.

If there is a difference in the band +/-

Annex 2

Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations in relation to scheme members who ceased active membership between 1 April 2008 and 31 March 2014.

1. Where a former scheme member who left the scheme between 1 April 2008 and 31 March 2014 requests early release of deferred benefits on or after age 55 and before age 60 (on grounds other than permanent ill health), approval will only be given on compassionate grounds. Each case will be considered on its merits and will be subject to the approval of the Staffing Committee. Subject to entry 2 below, the benefits payable in such circumstances will be subject to any actuarial reduction applicable under the relevant LGPS Regulations.
2. Harper Adams University will consider an application to waive, on compassionate grounds, any actuarial reduction that would normally be applied to deferred benefits which are paid before age 65. Each case will be considered on its merits and will be subject to the approval of the Staffing Committee.
3. Where a former scheme member who left the scheme between ~~1 April 2008 and 31 March~~ 2014 requests early release of deferred benefits on or after age 55 and before age 60 (on grounds other than permanent ill health), approval will only be given on compassionate grounds. Each case will be considered on its merits and will be subject to the approval of the Staffing Committee. Subject to entry 4 below, the benefits payable in such circumstances will be subject to any actuarial reduction applicable under the relevant LGPS Regulations.
4. Harper Adams University will consider an application to waive, on compassionate grounds, any actuarial reduction that would normally be applied to a suspended Tier 3 ill health pension which is brought back into payment before age 65. Each case will be considered on its merits and will be subject to the approval of the Staffing Committee.