



Local Government Pension Scheme (LGPS) Regulations Policy

RESPONSIBLE DIRECTOR
Chief Finance Officer

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Local Government Pension Scheme (LGPS) Regulations

Policy statement for all eligible employees

Under Regulation 60 of the LGPS Regulations 2013, (as amended), each scheme employer must publish and keep under review a Statement of Policy to explain how it will apply certain discretions allowed under the LGPS Pensions Regulations.

This statement is applicable to all employees of Knowledge Schools Trust (KST) who are eligible to be members of the LGPS.

There is a requirement to publish the following five policies:

LGPS Regulations - Regulation 31: Power of employer to award additional pension to an active member or ceasing within 6 months to be an active member by reason of redundancy or business efficiency.

KST does not award additional pension amounts. The only exception is where a KST employee is dismissed on the grounds of redundancy and qualifies for a statutory redundancy payment where they will award lump sum compensation under the Local Government (Early Termination of Employment (Discretionary Compensation) (England and Wales) Regulations 2006. At the member's request, KST will, as an alternative to this compensation payment, allow the member to receive additional annual pension which will be assessed having regard to the capital value of the lump sum compensation otherwise payable, and in accordance with factors supplied by the Fund Actuary. KST will not normally use this power in other circumstances unless agreed by the Trust's Remuneration Committee.

LGPS Regulations 2013 - Regulation 16(2)(e) and 16(4)(d): Funding of additional pension contributions (APC) shared cost.

Where a member has elected to pay Additional Pension Contributions, KST does not normally contribute to the shared cost. An exception to this is where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to pay a shared cost APC to cover the pension "lost" during that period of absence. In this situation, under regulation 15 (5) of the LGPS regulations 2013, KST must contribute 2/3rds of the costs. Any other exception must be agreed by the Trust's Remuneration Committee.

LGPS Regulations 2013 - Regulation 30 (6): Flexible Retirement.

KST allows members who have reached the age of 55 to draw all or part of their retirement benefits (both pension and lump sum) whilst continuing in employment and LGPS membership provided there has been a reduction in hours or a reduction in grade. KST will consider applications made under this Regulation taking into account:

- The operating requirements of the employee's department
- The affordability of the cost of granting the request
- Whether any demonstrable cost saving in excess of potential savings available under any severance arrangements in place from time to time can be made

- The member’s personal circumstances
- Whether to permit the member to choose to draw all, part or none of the pension benefits they have built up after 1 April 2008.

LGPS Regulations 2013 – Regulation 30 (8): Waiving actuarial reductions.

KST will consider applications for the waiver of actuarial reductions applied to member benefits. Unless the 85-year rule protection exists, the following can be considered for a waiver:

- All of the reductions in respect of per 1 April 2014 benefits but only on compassionate grounds
- All or some of the actuarial reduction in respect of post 1 April 2014 on any grounds.

Where the 85-year rule protections exist and the member has full or tapered protection, KST will consider waiving all of the reductions but only on compassionate grounds for the service up to the date the 85 year rule protection ends (31 March 2016 (full) or 31 March 2020 (tapered)).

KST will consider applications made under this Regulation considering:

- The affordability of the cost of granting the request
- Whether any demonstrable cost saving in excess of potential savings available under any severance arrangements in place for time to time can be made
- The member’s personal circumstances.

Application for the payment of unreduced benefits for service before 1 April 2014 on the grounds of compassion will be granted if:

- In KST’s sole opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided justify approval, and
- The cost of granting the request is affordable.

LGPS Regulations 2013 - Regulation (paragraph 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014): Switching on rule of 85

KST does not ‘switch on’ protections for LGPS members who meet the 85 year rule and who will lose some protections under that rule if they wish to draw their pension between the age of 55 and 59. KST also does not ‘switch on’ protection in relation to the 85 year rule where a member voluntarily retires from age 55 but before the age of 60.

There are several other discretions which Scheme employers may exercise under the LGPS Regulations 2013.

LGPS Regulations 2013 – Regulation 17 - Shared Cost Additional Voluntary Contribution Facility

KST does not maintain and contribute to an employee's Additional Voluntary Contribution Scheme.

LGPS Regulations 2013 - Regulation 100 (6) – election to transfer within 12 months.

KST will not normally allow an extension of the 12-month limit which a member has to elect to transfer other LGPS pension rights into the LGPS but will consult the Administering Authority in making a decision. Extenuating circumstances may apply, and these would include:

- Where evidence exists that an election was made within 12 months, but this was not received by the administering authority
- Where evidence exists that the member was not aware of the 12 months, limit due to maladministration.

LGPS Regulations 2013 - Regulation 9 – allocation of contribution band.

KST allocates the pension contribution band on a monthly basis with reference to the employee's pensionable pay and in alignment with the rules of relevant LGPS scheme applied.

LGPS Regulations 2013 - Regulation 21 – assumed pensionable pay.

KST does not include regular lump sum payments in the calculation of assumed pensionable pay.



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