



## PENSIONS POLICY FOR LGPS MEMBERS

Original document	Pay and Personnel Committee	4/12/2014	Version 1
Amended			

### **I STATEMENT OF INTENT**

This policy sets out ODST's approach to the administration and management of pensions and retirement for employees who are members of the Local Government Pension Scheme (LGPS) or are eligible to join. It incorporates the requirements of the LGPS regulations 2014.

### **II INTRODUCTION**

The starting point for developing this policy was the Oxfordshire County Council model policy which has been drawn up following consultation with all the recognised Trade Unions and Associations. ODST intends that future changes to this policy will be subject to consultation with its schools / academies, their staff and any recognised Trade Unions and Associations before adopting any variation to this policy.

The provision of a contributory pension scheme is an important employee benefit which is valued by both employees and the ODST as an employer. Employees are encouraged to join a pension scheme in order to make adequate provision for themselves and their dependents in their retirement or the event of misfortune such as permanent injury or illness or death. All centrally employed staff of the ODST will be eligible to join the LGPS as well as support staff employed within schools.

### **III OBJECTIVES**

The ODST pension's policy for LGPS members provides an outline to eligible staff as to how the scheme will be administered and how membership will be impacted by certain events that may affect the ongoing employment relationship. It adheres to the guidelines outlined in relevant legislation.

#### **IV SCOPE**

- Governing Body
- Teaching Staff
- Headteacher
- **Support staff**
- All Staff
- **Centrally employed ODST staff**
- Pupils
- Contractors/ Service Providers

#### **V RELEVANT LEGISLATION**

- Public Service Pension Act 2013
- Pensions Act 2008
- Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000
- Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002
- Equality Act 2010.

#### **VI RELATED POLICIES**

#### **VII RELATED DOCUMENTS**

#### **VIII DATE OF REVIEW**

The policy will be reviewed by the Board to take account of any changes to pension's legislation or the LGPS no later than 31 December 2016.

*Advice and guidance on any aspect of this policy can be obtained from ODST by telephoning Mark Jones, HR Adviser, on (01865) 208278 or emailing [mark.jones@oxford.anglican.org](mailto:mark.jones@oxford.anglican.org)*

## **ODST Pensions Policy**

1. This policy applies to all employees of ODST who are members of the LGPS or are eligible to join.
2. Employees with a contract for at least three months, and aged between 16 and 75 will be brought into the LGPS automatically from their first day of employment.
3. From the first day of employment employees will be able to elect not to be a member of the LGPS. It is not permitted to complete and return an opt-out form until after commencing employment.
4. ODST will be legally required to auto-enrol certain employees into a pension scheme once every three years starting 1 May 2017 when specific criteria are met. Those affected will be informed in writing upon enrolment and will maintain the right to opt-out of the scheme.
5. The pension contribution rates applied are published at Appendix 1 of the Pensions Policy for LGPS members. From 1 April 2014 a continual assessment will be made each pay period using the actual annual salary plus any pensionable allowances made in the previous 12 months to determine the correct contribution rate.
6. If an employee feels that their contribution rate has not been assessed correctly and not in accordance with this policy statement, they must write initially to their line manager to ask for a breakdown of the assessment no later than three months following any change. Where it is confirmed that the assessment has been made in accordance with this policy statement and appropriate LGPS Regulations but the employee is challenging the assessment, then the complaint will be referred to the central ODST Finance Team.
7. Employees with more than one job with the ODST will be assessed separately for each individual contract of employment.
8. In cases of reduced contractual pay or nil pay as a result of sickness or injury, or reduced or nil pensionable pay during relevant child related leave (ordinary maternity, paternity or adoption leave and any paid additional maternity, paternity or adoption leave) the assumed pensionable pay will be used for pension purposes. This will be based on the pay received in the preceding 3 months before the absence starts.
9. An employee who has chosen not to contribute to the Local Government pension Scheme will receive no pension benefits from the Fund under this scheme upon retirement.
10. The ODST may consider augmenting the pension or membership of employees or awarding or funding additional pension where there is sufficient benefit to the ODST. In the case of employees who choose to make additional voluntary contributions (APC's) to the LGPS scheme the ODST may consider funding an individual's APC's in exceptional circumstances.

## Retirement

11. From April 2014 members choosing to leave aged 55 or older who have a sufficient period of membership in the scheme may request immediate payment of their pension. In these circumstances all pension payable (whether built up in the scheme before or after April 2014) will be subject to a full reduction. The ODST will not, in any circumstance use its option to waive any or part reduction that may apply in the early payment of a pension under this section. Employees are advised to contact Oxfordshire County Council Pension Services for information about any pension entitlement and the arrangements for payment options.
12. An employee who is aged between 55 and 75 may request "flexible retirement" under the LGPS Regulations. This involves continuing to work and either reducing his/her hours of work or accepting a lower paid job within ODST while receiving an immediate payment of pension benefits. These benefits may be reduced or unreduced depending on entitlement. The ODST will not, in any circumstance use its option to waive any reduction that may apply in the early payment of a pension under this section. Requests for payment of part benefits will not be agreed. This flexible retirement arrangement will only be available where all of the following apply:
  - a) Approval is obtained from the ODST Pay and Personnel Sub-committee. The sub-committee may also delegate this responsibility to the Local Governing Body or Senior Officers of the ODST. Each case will be considered on its merits, although an application is unlikely to succeed where there are costs to the ODST and the benefits to the organisation are not explicit.
  - b) There is a mutual agreement between the employee and line manager/headteacher that the change in hours or grade can be accommodated and the arrangement is expected to continue for a period of no less than one year.
  - c) The changes to employment result in a reduction in income of 25 per cent or more of the normal pay of the current contracted employment, either by a reduction in hours or a reduction in grade or a combination of both.
13. Retirement with an immediate payment of pension before normal pension age may also arise for the reasons set down in paragraphs 16 and 17 below and is subject to the conditions stated.
14. An ex-employee who has retired and is receiving a Local Government Pension will not normally be re-employed by the ODST unless he/she has been selected by a full recruitment process. However, retired employees may register for short-term casual work without further process. All re-employed pensioners and employees who commence employment are required to advise the Authority who pays his/her pension of any new employment as his/her pension may be reduced in accordance with Pension Scheme Regulations and Compensation Regulations.
15. Employees are advised to seek guidance about the financial implications of continuing to work and starting to draw a LGPS or personal pension.

## **Special Retirements**

16. In the case of the retirements referred to in paragraphs 17 and 18 below re-deployment to other appropriate employment will be considered and offered as an alternative to retirement where appropriate and available.

## **III Health Retirements**

17. Where an employee with at least two years membership of the LGPS has been certified by an independent Occupational Health Advisor as being permanently incapable of discharging his/her duties or other comparable duties due to ill health or infirmity of body or mind, the ODST will consider awarding early retirement with immediate payment of a pension in accordance with Pension regulations. Ill health retirement may occur at any age.  
Where the ill-health pension is for a limited period and is subsequently suspended, the ex-employee may request early payment of benefits before age 60 in accordance with paragraph 18 (b) below.

## **Other Retirements requiring the Approval of the Pay and Personnel Committee**

18. Early retirement may be granted for employees aged 55 years and over with at least two years membership in the LGPS in the circumstances set out in (a) to (c) below, taking into consideration the full cost of the retirement and the best interest of the ODST.
  - a) Redundancy, after the ODST Redundancy Procedure has been followed.  
In this case employees will receive immediate payment of their pension entitlement and redundancy compensation will be paid in line with ODST procedures.
  - b) Where an employee has continuing health problems and it is in the interests of the efficiency of the ODST's operations.  
In this case immediate payment of pension will be granted to an employee who does not satisfy the Local Government Pension Scheme criteria for retirement on the grounds of ill health, but who is suffering from a substantial medical or psychiatric condition and whose retirement is recommended by the ODST's Occupational Health physician because he/she is likely to be significantly less efficient for the foreseeable future due to health reasons.
  - c) Where an employee has requested flexible retirement and satisfies the criteria in Paragraph 11 above.
19. The ODST will not normally agree to early payment of benefits or early retirement on other grounds, or deferred benefits from ex-employees where there is a cost to the ODST. This does not prevent an employee aged 55 to 59 years who wishes to, from leaving the employment of the organisation and accessing their pension early under the terms of paragraph 10 above or from making a written request to the Pay and Personnel Committee to consider the waiving of any or all the reduction on compassionate grounds of an early payment of pension. However, such applications will not normally be supported by management and are unlikely to succeed due to the associated costs. Furthermore, benefits will be reduced in any cases which might be agreed, unless compassionate grounds apply.

20. The ODST reserves its power to agree early retirement in exceptional cases which are commensurate with the efficient and effective running of the service as part of a Settlement Agreement.

### **Redundancy with no Entitlement to Immediate Payment of Pension Benefits**

21. Where a redundant employee is over the age of 55 and has contributed to the LGPS for a period of less than 2 years they will not be entitled to immediate payment of pension benefits.

### **Disputes Procedure**

22. Where a member of the LGPS has a dispute regarding his/her pension he/she should attempt to resolve it according to the provisions in paragraph 6 above. In the event that the concern cannot be resolved through this mechanism, it may be referred as appropriate through the ODST Grievance Procedure.

## Appendix 1

Member contribution rates from 1 April 2014

<b>Pay Bands</b>	<b>Contribution Rates</b>
Up to £13500	5.5%
£13,501 - £21,000	5.8%
£21,001 - £34,000	6.5%
£34,001 - £43,000	6.8%
£43,001 - £60,000	8.5%
£60,001 - £85,000	9.9%
£85,001 - £100,000	10.5%
£100,001 - £150,000	11.4%
More than £150,000	12.5%