

**LOCAL GOVERNMENT PENSION SCHEME EMPLOYER
DISCRETIONS POLICY FOR OXFORD BROOKES UNIVERSITY**
Local Government Pension Scheme 2014 Scheme

1. Introduction

University professional services staff are eligible for membership of the Local Government Pension Scheme (LGPS).

LGPS regulations afford scheme employers some discretionary powers and require employers to make decisions about the application of these powers. The University is required to formulate, publish and keep under review a Statement of Policy on how it will use these discretions.

LGPS members who are dissatisfied with any decision made in relation to the scheme have the right to have their complaint reviewed under the scheme's Internal Dispute Resolution Procedure. We encourage scheme members to raise their complaint informally with Human Resources in the first instance. If the matter cannot be resolved informally, the complaint should be raised with the stage one adjudicator Sarah Thonemann, Chief People Officer, sthonemann@brookes.ac.uk.

2. Purpose and Scope

This Statement of Policy sets out the University's position on the key LGPS discretions that apply from 1 April 2014 for active scheme members, and those who have ceased their membership since 31 March 2014, as well as some additional discretions that apply to members who left LGPS before 1 April 2014 and who have deferred pension benefits.

The regulations that afford employers these discretionary powers are:

- The Local Government Pension Scheme Regulations 2013 [prefix R]
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [prefix TP]
- The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2008 (as amended) [prefix B]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]
- The Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]

This Statement of Policy confers no contractual rights on employees, and the University retains the right to update and amend the policy at any time. The version of the Statement of Policy which is current at the time a relevant event occurs to the employee/scheme member will be the one applied to that employee/member.

Guidance and procedures for staff who may be considering early retirement or flexible access to pension benefits can also be found in related university policies and procedures.

A copy of this Statement of Policy will be lodged with the Oxfordshire Pension Fund, which administers the LGPS in our region, and any subsequent revisions will be published and copied to the Oxfordshire Pension Fund within one month of the change in policy.

3. Discretions

The decision to exercise a discretion in respect of a post-2014 member that will result in a cost to the employer (“employer cost”) must be supported by the relevant PVC/Dean or Director and authorised by the Registrar and Chief Operating Officer; or, if the employee is a member of the Vice-Chancellor’s Group, by the Vice-Chancellor. If the employee is the Vice-Chancellor or Registrar and Chief Operating Officer, the request must be supported by the Remuneration Committee and approved by the Board of Governors.

In deciding whether to authorise the exercise of discretion, the University will take into account the financial cost and how that will be met, and how exercising the discretion will enable the University to achieve its operational aims and objectives. Compassionate grounds may also be taken into account. In deciding whether to exercise a discretion, the University must represent the public interest and avoid any inappropriate use of public funds, taking care not to agree a retirement arrangement which staff, students or the public might deem excessive.

The Chief People Officer and the Chief Financial Officer will be involved in all decisions on the exercise of discretions that result in a cost to ensure that the policy is applied fairly and equitably. Records of decisions will be maintained in Human Resources to allow monitoring of the application of this policy.

Employees who wish to ask the University to exercise a discretion that will result in an employer cost should first discuss their request with their PVC/Dean or Director. If the PVC/Dean or Director is minded to request the exercise of a discretion they should contact the People Directorate to request an estimate of the employer cost that would apply. PVC/Deans and Directors are not authorised to give any binding undertaking to the employee about the exercise of any discretion.

a. Awarding additional pension R31

The University has the discretion to grant additional pension of up to £6,500 to an active member or within 6 months of leaving on redundancy or efficiency grounds.

Granting additional pension will result in an employer cost and will be considered as described above.

b. Shared cost additional pension contributions (SCAPCs) R16(2)(e) and R16(4)(d)

The University has the discretion to decide whether, how much, and in what circumstances it will contribute to a shared cost APC scheme.

Contributing to SCAPCs will result in an employer cost and will be considered as described above.

c. Flexible retirement R30(6) and TP11(2), R30(8)

Whether all or some pension benefits can be paid if an member aged 55 or over reduces their hours/grade and continues to work.

Scheme members who apply for flexible retirement with a reduction in hours must reduce their working hours by at least 20%. Before granting flexible retirement, the university will obtain an estimate of the employer cost. Flexible retirement arrangements that result in an employer cost will be considered as described above.

If your flexible retirement is agreed, you will have to decide how you wish to draw your pension. You must draw all benefits accrued before 1 April 2008, added years if your contract commenced prior to 1 October 2006 and additional voluntary contributions (AVC's) that commenced before 13 November 2001. You can choose whether or not to draw:

- All, none or some of benefits accrued from 1 April 2008 to 31 March 2014
- All, none or some of benefits accrued after 1 April 2014
- All or none of benefits purchased either through additional pension contributions (APC's), additional regular contributions (ARC's) or AVC's

If you are retiring under flexible retirement, before normal pension age, early retirement reductions may apply. The University has the discretion to waive some or all the actuarial reduction on benefits paid on flexible retirement. Waiving actuarial reduction will result in an employer cost and be considered as described above.

d. Waiving of actuarial reductions B30(5) and B30A(5)

The University has the discretion to waive in whole or in part the actuarial reduction on benefits which a member who only has post 31 March 2014 membership voluntarily draws before normal pension age and the discretion to waive any actuarial reduction on pre- and/or post-April 2014 benefits (where the member has both pre 1 April 2014 and post 31 March 2014 membership).

Waiving actuarial reduction will result in an employer cost and be considered as described above.

e. Switching on the 85 year rule TPSch 2, paras 1(2) and 2(2)

Whether to allow the rule of 85 to be “switched on” for members voluntarily drawing benefits on or after age 55 and before age 60.

Switching on the 85 year rule will result in an employer cost and will be considered as described above.

f. Membership aggregation R22(8) & (7)

Whether to extend the 12-month period to separate previous Local Government (LG) service.

The University will allow extension of the 12-month period to separate previous LG service for one year from the date on which the extension is granted. No further extension will be granted unless the employee can demonstrate that there was no way that they could have reasonably completed the process in time.

g. Transfers of membership R100(6)

The University has the discretion to extend the 12-month period in which an employee can transfer in non-LG pension rights.

The University may allow members to request extensions to the one-year deadline. Consent will not be unreasonably withheld, but may be refused if granting it would expose the University to costs, e.g. if the University has already obtained an estimate of the cost of redundancy or early retirement and allowing a late transfer would increase this cost.

In cases where the deadline is extended this will be for one year from the date the extension is granted. This will be confirmed in writing by the People Directorate. No further extension will be granted unless the employee can demonstrate that there was no way that they could reasonably have completed the transfer in time.

h. Determine employee contribution rates R9(1) and R9(3)

Oxford Brookes University will review all members’ contribution bands at 1 April each year. The contribution band for the forthcoming year will be based on the scheme member's pensionable pay in the preceding 12 months unless the member's contribution band was amended during the previous 12 months. If the rate was amended during the previous 12 months, the band for the forthcoming year will be based on the pensionable pay from the date of amendment to the end of the year that is being used for assessment.

Additionally, Oxford Brookes University reviews the contribution band for employees at any time they:

- have a change in FTE that alters the applicable salary band
- have a change of grade or allowance that alters the applicable salary band

- have a change of post that requires a new membership

When an employee's salary banding is changed during the year the revised band will take effect on the first date of the following month, unless they are starting a new membership.

For new memberships commencing during the year, the band will depend on the starting salary.

For casual and variable hours staff, the band will be based on the university's assessment of the number of hours that the person is likely to work on an annual basis.

- i. Early payment of pension benefits to leavers between 1 April 2008 and 31 March 2014, A66 and between 1 April 1998 and 31 March 2008, L106, and before 1 April 1998.**

Where requests from deferred members for early payment of deferred benefits will not result in an employer cost they will be granted. Requests that will result in an employer cost will be refused. Requests relating to deferred members will be dealt with by the People Directorate.

Policy owner: People Directorate

Policy approved: April 2024

Date of next review: Two years' time or earlier if required by regulations.