



LGPS – Compulsory Discretionary Policies

Name of school:	St Theresa's Catholic Primary
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Reviewed	
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LOCAL GOVERNMENT PENSION SCHEME

COMPULSORY DISCRETIONARY POLICIES

INTRODUCTION

Under *Regulation 60 of the Local Government Pension Scheme Regulations 2013 (the LGPS Regulations 2013)* and *Paragraph 2(2) of Schedule 2 to the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (the LGPS Transitional Regulations 2014)*, employers are required to make and publish policy statements on how they will exercise five specific discretions.

The Regulations require that in formulating a Policy Statement, St Theresa's Catholic Primary School must have regard to the extent to which the exercise of its discretionary powers, unless properly limited, could lead to a serious loss of confidence by its various stakeholder groups. The Regulations also require that St Theresa's Catholic Primary School must be satisfied that its Policy Statements are workable, affordable and reasonable having regard to the foreseeable costs.

These Policy Statements apply to all employees of St Theresa's Catholic Primary School who are current, former (or eligible to be) members of the Local Government Pension Scheme. For the avoidance of any doubt these Policy Statements do not apply to teachers who are members of the Teachers' Pension Scheme.

It should be noted that that none of the following discretionary powers is a contractual benefit or entitlement but instead decisions are made at the sole discretion of St Theresa's Catholic Primary School within its current published policies.

SHARED COST ADDITIONAL PENSION CONTRIBUTIONS

The provisions of Regulation 16 (of the LGPS Regulations 2013) allow an active member who is paying into the main scheme to enter into an arrangement to pay additional contributions, either by regular contributions (Regulation 16(2) (e)) or by a lump sum payment (Regulation 16(4) (d)). This may be funded in whole or in part by St Theresa's Catholic Primary School.

Policy Statement

St Theresa's Catholic Primary School **does not** consider the exercise of this discretion to be an integral part of its employment policy.

Employees may fully fund their own additional pension contributions should they so wish.

This discretion would only be exercised in the most exceptional circumstances having regard to St Theresa's Catholic Primary School general policies and the particular circumstances of the case.

St Theresa's Catholic Primary School will only consider exercising this discretion in the most exceptional circumstances having particular regard to the following:

- The interests of St Theresa's Catholic Primary School
- Any potential benefits or savings to St Theresa's Catholic Primary School
- The member's personal circumstances
- The additional contributions due to the Fund
- St Theresa's Catholic Primary School ability to meet the cost of granting such an award
- The funding position of St Theresa's Catholic Primary School within the South Yorkshire Pension Fund

Decisions as to whether to fund an active member's additional pension contributions shall be made by St Theresa's Catholic Primary School Governing Body in accordance with its principal governing documents and scheme of decision making and financial delegation.

AWARDING ADDITIONAL PENSION

The provisions of Regulation 31 (of the LGPS Regulations 2013) allow the employer to award/grant additional annual pension up to the maximum allowed by the scheme rules provided that the member is active **or** within 6 months of leaving his/her employment when that employment was terminated on the grounds of redundancy or business efficiency or whose employment was terminated by mutual consent on grounds of business efficiency.

Policy Statement

St Theresa's Catholic Primary School **does not** consider the exercise of this discretion in respect of employees whose employment is terminated on the grounds of redundancy or business efficiency, or terminated by mutual consent on the grounds of business efficiency, to be an integral part of its employment policy.

This discretion will only be exercised in the most exceptional circumstances having regard to St Theresa's Catholic Primary School general policies and the particular circumstances of the case.

St Theresa's Catholic Primary School **does not** consider the exercise of this discretion in relation to new hires or during employment to be an integral part of its recruitment and employment policy.

This discretion will only be exercised for recruitment or retention purposes in the most exceptional circumstances having regard to all the facts in each case though particularly where other elements available within the employee benefits package have not proved successful in securing recruitment or retention.

St Theresa's Catholic Primary School will only consider exercising these discretions in the most exceptional circumstances having particular regard to the following:

- The interests of St Theresa's Catholic Primary School
- Any potential benefits or savings to St Theresa's Catholic Primary School
- Other options that are, from time to time, available under St Theresa's Catholic Primary Schools severance arrangements
- The member's personal circumstances
- The additional contributions due to the Fund
- St Theresa's Catholic Primary School ability to meet the cost of granting such an award
- The funding position of St Theresa's Catholic Primary School within the South Yorkshire Pension Fund

Decisions as to whether to fund an active member's additional pension contributions shall be made by the Governing Body in accordance with its principal governing documents and scheme of decision making and financial delegation.

FLEXIBLE RETIREMENT

The provisions of Regulation 30 (6) (of the LGPS Regulations 2013) permit an employee who has attained the age of 55 or above and who is a member of the Local Government Pension Scheme to request to receive all or part of his/her pension benefits if s/he reduces the hours s/he works and/or the grade in which s/he is employed notwithstanding that s/he has not retired from pensionable employment. Any benefits paid are actuarially reduced to reflect early payment. This is known as “Flexible Retirement”.

Policy Statement

Any person applying for flexible retirement must normally be prepared to agree to a permanent reduction of contracted hours or accept a reduction in grade below the employee’s previous grade at the point of application.

St Theresa’s Catholic Primary School will consider supporting an application made under Regulation 30 (6) provided there is evidence that if granted the application is cost neutral. The application will be considered on its individual merits and St Theresa’s Catholic Primary School shall have regard to the following:

- The operating requirements of the school.
- Whether there is evidence of demonstrable cost saving in excess of the potential savings to be made under current severance arrangements.
- The individual’s personal circumstances.

Any such application which is not cost neutral will only be considered in exceptional circumstances and where in the sole opinion of St Theresa’s Catholic Primary School there is supporting evidence justifying the approval of the application.

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.

St Theresa’s Catholic Primary School will consider supporting an application made under Regulation 30 (6) to waive any such actuarial reduction, in whole or in part, only in “exceptional circumstance” and where in the sole opinion of St Theresa’s Catholic Primary School there is supporting evidence justifying the approval of the application.

In determining “exceptional circumstances” St Theresa’s Catholic Primary School shall have regard to the following:

- The interests of St Theresa’s Catholic Primary School
- The operating requirements of the school.
- The individual’s personal circumstances.
- The cost to St Theresa’s Catholic Primary School of meeting the request including the additional contributions due to the South Yorkshire Pension Fund by the St Theresa’s Catholic Primary School in respect of the exercise of this discretion.
- Any potential benefits or savings to St Theresa’s Catholic Primary School arising from the exercise of this discretion for example whether there is evidence of demonstrable cost saving in excess of the potential savings to be made under current severance arrangements.
- Other options that are, from time to time, available under St Theresa’s Catholic Primary School severance arrangements.
- The funding position of St Theresa’s Catholic Primary School within the South Yorkshire Pension Fund.
- The ability of St Theresa’s Catholic Primary School to meet the cost of granting the request.
- Whether the request may facilitate further changes within the organisation, which could lead to savings in the future.

Decisions which are not cost neutral to St Theresa’s Catholic Primary School shall be made by the Governing Body in accordance with its principal governing documents and scheme of decision making and financial delegation.

Waiving Actuarial Reductions

The provisions of Regulation 30(8) (of the LGPS Regulations 2013) allow the employer to waive all, or part of the actuarial reductions applied to a member's benefits as follows:

- All of the reductions in respect of pre-1 April 2014 benefits *but only on compassionate grounds* (paragraph 2 of Schedule 2 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014).
- All or part of the actuarial reductions in respect of post 1 April 2014 benefits *on any grounds*.

Policy Statement

St Theresa's Catholic Primary School **does not** consider the exercise of this discretion to be an integral part of its employment policy.

This discretion will only be exercised in the most exceptional circumstances.

Applications for St Theresa's Catholic Primary School to waive in whole or in part any of the actuarial reductions applied to benefits for service before 1 April 2014 on the grounds of compassion will only be considered if:

- In St Theresa's Catholic Primary School's sole opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided, justify approval and
- St Theresa's Catholic Primary School can meet the cost of granting such a request.

Applications for St Theresa's Catholic Primary School to waive all in whole or in part any of the actuarial reductions applied to benefits for service after 1 April 2014 will only be considered with regard to the following:

- In St Theresa's Catholic Primary School's sole opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided, justify approval
- There are demonstrable cost savings in excess of potential savings available under any severance arrangements in place from time to time
- The request may facilitate further changes within the organisation which could lead to savings in future
- St Theresa's Catholic Primary School can meet the cost of granting such a request

Decisions as to whether to waive the actuarial reductions applied to a member's pension benefits shall be made by the Governing Body in accordance with its principal governing documents and scheme of decision making and financial delegation.

SWITCHING ON THE 85 RULE

The provisions of paragraph 1 (1) (C) of Schedule 2 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 [allow](#) the employer to 'switch on' the 85-year rule to allow members to receive benefits either unreduced or with a smaller reduction up to their 85-year rule date.

Whilst the 85-year rule does not automatically apply in full if the employee decided to voluntarily draw benefits on or after age 55 and before age 60, this regulation allows the employer to switch the rule back on.

Where the rule is 'switched on' the employer will be responsible for meeting any strain costs relating to benefits being paid.

Policy Statement

St Theresa's Catholic Primary School **does not** consider the exercise of this discretion to be an integral part of its employment policy.

This discretion would only be exercised in the most exceptional circumstances having regard to St Theresa's Catholic Primary School general policies and the particular circumstances of the case.

St Theresa's Catholic Primary School will only consider exercising this discretion in the most exceptional circumstances having particular regard to:

- The interests of St Theresa's Catholic Primary School
- Whether any demonstrable cost saving in excess of potential savings available under any severance arrangements in place from time to time
- Whether the request may facilitate further changes within the organisation which could lead to savings in future
- Any potential benefits or savings to St Theresa's Catholic Primary School
- The member's personal circumstances
- St Theresa's Catholic Primary School ability to meet the cost of granting such a request

Decisions as to whether to 'switch on' the 85-year rule shall be made by the Governing Body in accordance with its principal governing documents and scheme of decision making and financial delegation.