THE SOCIETAS TRUST

LGPS Discretions Policy

Date of Policy	2022
Reviewed and Agreed by	The Directors' Board
Review Date	30 March 2022
Next Review Date	Spring 2025

The Societas Trust discretionary policies under the Local Government Pension Scheme Regulations and other related Regulations

Summary

1. The Societas Trust was established in February, 2016 and, as such, has not been an LGPS employer prior to that date. This report makes recommendations for The Societas Trust policies on discretions to be exercised:

   i) under the LGPS Regulations 2013 from 1 April 2014 in respect of members of the Career Average Revalued Earnings (CARE) scheme,

   ii) clause left intentionally blank

   iii) under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and earlier compensation regulations,

   iv) under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011, and

   v) clause left intentionally blank

Background

2. Clause left intentionally blank

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6. 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 needed to “make public service pension schemes simpler and more transparent, [and] fairer to those on low and moderate earnings”.

7. 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.

8. The provisions of the CARE scheme, together with the protections for members’ accrued pre 1 April 2014 final salary pension rights, are contained in the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.

9. As a result of the changes, The Societas Trust is legally required to formulate, publish and send to the LGPS pension fund administering authority a written Statement of Policy on certain discretions under the LGPS which The Societas Trust has the power to exercise on and from 1 April 2014 in relation to members of the CARE scheme.

10. The Societas Trust is also legally required to (or where there is no requirement, is recommended to) formulate, publish and keep under review a Statement of Policy on certain other discretions it may exercise:

    i) clause left intentionally blank
    ii) under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 and earlier compensation regulations in relation to employees who are, or are eligible to be, members of the LGPS, and
    iii) under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.

11. Clause left intentionally blank

12. Clause left intentionally blank

13. Clause left intentionally blank

14. Overall, The Societas Trust is:

    i) required to formulate, publish and keep under review a written Statement of Policy on certain discretions in accordance with:

        - regulation 60 of the Local Government Pension Scheme Regulations 2013,
        - paragraph 2(2) of Schedule 2 to the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014,

    ii) clause left intentionally blank

    iii) required to formulate, publish and keep under review a written Statement of Policy on certain discretions in accordance with regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, which were operative from 1 October 2006.

    iv) clause left intentionally blank

    v) required to formulate, publish and keep under review a written Statement of Policy on certain discretions relating to injury allowances under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.

15. In formulating and reviewing its policies under the LGPS Regulations referred to in paragraphs 14(i) above The Societas Trust 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.

16. In formulating and reviewing its policies under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 referred to in paragraphs 14(iii) above The Societas Trust:

i) is required to have regard to the extent to which the exercise of its discretionary powers (in accordance with the policy), unless properly limited, could lead to a serious loss of confidence in the public service, and
ii) must be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

17. In formulating and reviewing its policies under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011referred to in paragraphs 14(v) above The Societas Trust:

i) is required to have regard to the extent to which the exercise of its discretionary powers (in accordance with the policy), unless properly limited, could lead to a serious loss of confidence in the public service, and
ii) must be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

Decisions required

18. The Directors' Board is asked:

i) to approve the policies on the discretions to be exercised under the LGPS Regulations in respect of those employees who are active scheme members after 31 March 2014 and members and who cease active membership after 31 March 2014, as set out in the table at Annex 1, and

ii) clause left intentionally blank

iii) to approve the policies on the discretions to be exercised under the Discretionary Compensation Regulations, as set out in the table at Annex 3.

iv) to approve the policies on the discretions to be exercised under the Injury Allowances Regulations, as set out in the table at Annex 4.

Consultation

19. The Societas Trust is not required to consult with recognised union(s) when The Societas Trust intends to adopt new, or change existing, discretionary policies.

Effective date of policies

20. The policies on discretions to be exercised under the LGPS Regulations 2013 take immediate effect from the date The Societas Trust agrees the policies.

21. Any change to the discretions exercised under the Discretionary Compensation Regulations cannot take effect until one month after the date The Societas Trust publishes a statement of its amended policy.

22. Any change to the discretions exercised under the Injury Allowances Regulations cannot take effect until one month after the date The Societas Trust publishes a statement of its amended policy.

Non-fettering of discretions

23. The recommendations contained within this report, if approved, will form The Societas Trust policies on pension and compensation discretions. It should be noted that:

- the policies will confer no contractual rights
- subject to paragraphs 20 to 22, The Societas Trust will retain the right to change the policies at any time without prior notice or consultation but The Societas Trust will endeavour to discuss changes with recognised union(s), and
- only the policy which is current at the time a relevant event occurs to an employee / scheme member will be the one applied to that employee / member.

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Policies in Annex 1, 3 and 4 were approved by the Resources Committee of the Directors' Board (Trust Board) on

28 March 2018

Annex 1

Table A: Discretions to be exercised on and after 1 April 2014 under the LGPS Regulations 2013 in relation to active scheme members (other than local authority councillor members) and members who cease active membership after 31 March 2014 (other than local authority councillor members).	**The Societas Trust policy**
1. Whether, at full cost to The Societas Trust, to grant extra annual pension of up to £6,822 (figure at 1 April 2018[1]) 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. Notes: - The maximum amount of £6,822 (figure at 1 April 2018) includes any amount of additional pension already granted by the employer under regulation 13 of the LGPS (Benefits, Membership and Contributions) Regulations 2007. - Scheme employers should, prior to 1 April 2014, already have prepared and published a policy on granting extra annual pension of up to £5,000 under the 2008 Scheme (in accordance with the LGPS (Administration) Regulations 2008). Employers may, therefore, wish to simply carry forward their existing policy (assuming they have one), but suitably amended to refer to the LGPS Regulations 2013. - The cost of any extra annual pension awarded would have to be paid to the Pension Fund by the employer as a lump sum payment	The Societas Trust will not make use of the discretion to grant extra annual pension of up to £6,822 (figure at 1 April 2018) 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 The Societas Trust 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 Trust Board.

[1] The figure of £6,500 that applied at April 2014 is increased each April (starting April 2015) under the Pension (Increase) Act 1971 (as if it were a pension with a PI date of 1 April 2013).

	unless the employer agrees with the LGPS Pension Fund administering authority to pay increased contributions to meet the cost. - The extra annual pension would form part of the Scheme member's main LGPS pension and so the member could, upon drawing pension benefits, commute up to 25% of the capital value of their LGPS pension benefits for a lump sum at the rate of £12 lump sum for each £1 of pension given up. - Any extra annual pension granted by the employer would be subject to an actuarial reduction where, other than in a case of ill health retirement or retirement on redundancy or business efficiency grounds, that extra annual pension is drawn before the member's Normal Pension Age. - The extra annual pension provides a benefit for the scheme member only i.e. a share does not flow through to any survivor's pension payable upon the death if the scheme member. - The amount of extra annual pension purchased (or being purchased) by the employer under a Shared Cost Additional Pension Contributions (SCAPC) arrangement – see entry 2 below - (including a SCAPC arrangement where an employer is contributing 2/3rds of the cost of purchasing pension 'lost' during a period of absence) counts towards the £6,822 limit (figure at April 2018) of extra annual pension that the employer can award. - Employers cannot grant extra annual pension if the employer makes an award of lump sum compensation (of up to 104 weeks' pay) under regulation 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (see entry 2 in Table E below).	

- Employers can, however, grant extra annual pension if the employer makes an award under regulation 5 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 i.e. bases a redundancy payment on an employee's actual weeks' pay where this exceeds the statutory weeks' pay limit (see entry 1 in Table E below). The difference between the statutory redundancy payment and the redundancy payment based on the employee's actual week's pay is, in this paper, termed the discretionary redundancy payment.

- Employers considering granting extra annual pension to members of the LGPS will need to take a view on whether doing so could leave them open to challenge on age or gender discrimination grounds (e.g. if those not in the Pension Scheme tend to be younger employees and part-time female workers). Compare this to an award of lump sum compensation (see entry 2 in Table E below) which can be awarded to not only those who <u>are</u> members of the LGPS but also to those who are <u>eligible for</u> membership of the LGPS (and so can be less open to challenge on age or gender discrimination grounds). An implication of the Equality Act 2010 and the Equality Act (Age Exceptions for Pension Schemes) Order 2010 is that all staff should be treated equally regardless of their age, unless different treatment can be objectively justified.

- If an employer wishes to award extra annual pension, the employer will need to consider the criteria for deciding to whom to grant such pension and for determining the amount of extra annual pension to grant in each case. The criteria should be included in the employer's policy statement. The policy should not use criteria that are directly or indirectly discriminatory (unless objectively justified e.g. the employer could demonstrate that the policy pursues a

legitimate aim and that it is proportionate and is an appropriate and necessary means of achieving that aim).

- An alternative approach that employers who wish to award extra annual pension could consider (for members whose employment is being terminated on the grounds of redundancy or business efficiency) is what might be termed 'extra annual pension by conversion'. In effect, the employer would have a policy that would permit the employer to:

  - award a lump sum compensation payment (of up to 104 weeks' pay) under regulation 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, inclusive (in redundancy cases) of any statutory redundancy payment and any increase in the redundancy payment made under regulation 5 of those Regulations (where an employee's actual weeks' pay exceeds the statutory weeks' pay limit) – (see entries 1 and 2 in Table E below)

    Or

  - having considered the view of the employee, to make an award of extra annual pension that is actuarially equivalent to the lump sum compensation payment that the employer would otherwise have made.

  The employer would need to reflect this in their policy in relation to a discretionary lump sum compensation payment (see entries 1 and 2 in Table E below). It is important to stress that the employee would not be sacrificing a lump sum compensation payment in return for extra annual pension in the LGPS and would not be using lump sum compensation payment that is paid or due to him/her in return for extra annual pension.

	Instead, the employer would, having considered the view of the employee, simply be making a determination to award extra annual pension and not to award a lump sum compensation payment. Where the employer decides to make an award of extra annual pension, the employer would award extra annual pension that was actuarially equivalent in value to the lump sum compensation payment (in excess of any redundancy payment) that would otherwise have been payable to the employee following cessation of employment. The policy could allow only the excess above any statutory and discretionary redundancy payment to be converted in this way, in which case any statutory and discretionary redundancy payments would still be payable, or allow all of the excess above any statutory redundancy payment to be converted, in which case any statutory redundancy payment would still be payable. It should be noted, however, that the amount of extra annual pension cannot exceed £6,822 (figure at April 2018). Extra annual pension that would exceed this limit is not permitted and so conversion would not be possible if it would produce extra annual pension above that limit. It is not permissible to split the award and award part as extra annual pension (up to the aforementioned limit) and the balance as a lump sum compensation payment. - The facility for employers to grant extra 'augmented' membership of the Pension Scheme ceased after 31 March 2014. Employers who, prior to 1 April 2014, had a policy to allow 'extra membership by conversion' to members being made redundant or being retired on business efficiency grounds i.e. granting the member extra membership equivalent to any lump sum termination payment (in excess of the statutory redundancy payment or in excess of the redundancy payment based on an actual week's pay where this exceeds the statutory weeks' pay limit) the employer would otherwise have awarded under the Local Government (Early Termination of Employment) (Discretionary Compensation)	

(England and Wales) Regulations 2006 are no longer be able to do so for retirements on or after 1 April 2014. Instead, the employer could grant the member extra annual pension actuarially equivalent to the value of any lump sum termination payment (in excess of the redundancy payment) the employer would otherwise have awarded under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 i.e. 'extra annual pension by conversion'.

- Employers wishing to award extra annual pension upon termination of employment on the grounds of redundancy or business efficiency might wish to consider including in their policy a clause that they will not grant extra annual pension in cases where an employee declines to accept:

    - an offer of what the employer considers to be suitable alternative employment, or

    - (for those employers who are subject to the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999 or who, whilst not subject to the Modification Order, choose to recognise service with employers on the Modification Order for redundancy payment purposes) an offer from another employer covered by the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999 which the current employer would consider to be suitable alternative employment and which would have started within four weeks* of the termination date.

      (* If the contract ends on a Friday, Saturday, or Sunday the four weeks is counted from the following Monday.)

- An issue that potentially arises in granting extra annual pension is that, in some cases, it can result in the value of the scheme

member's benefits being increased by more than the permitted standard Annual Allowance of, currently, £40,000 (2018/19). Any increase in value above that figure could result in a tax charge for the individual. Any additional pension granted will also count towards the capitalised value of a person's pension benefits which have to be assessed against the member's Lifetime Allowance (LTA) under the tax regime governing pension schemes. Each time a person retires and draws benefits from a pension scheme they use up a part of their LTA. If, on retirement under the LGPS, the capitalised value of their total LGPS benefits is more than the person's remaining LTA, they will have to pay tax on the excess (at the rate of 25% if the excess is paid in the form of pension and 55% if paid in the form of a lump sum).For more information see http://www.hmrc.gov.uk/manuals/rpsmmanual/RPSM06105000.htm and http://www.hmrc.gov.uk/manuals/rpsmmanual/RPSM11100000.htm

Additional note for local authorities with staff in maintained schools:

- Although section 37 of the Education Act 2002 gives all of the Maintained Schools with a delegated budget the power to go beyond the Local Authority's policies in respect of the dismissal of, or for the purpose of securing the resignation of, any member of the school's staff, in reality, as this will entail additional cost, a community school, a community special school, a maintained nursery school, a foundation school, a foundation special school, a foundation trust school or a voluntary school is unlikely to depart from the Local Authority's policy. Nevertheless, the power to go beyond the Local Authority's policy for the purposes of the dismissal of, or securing the resignation of, any member of the school's staff exists and so the Local Authority's policy statement in relation to the ability to award extra annual pension of up to £6,822 (figure as at April 2018) as part of an arrangement for the dismissal of, or for the purpose of securing the resignation of, a member of

staff will have to contain a modification to reflect the powers conferred by the Education Act 2002 on such Maintained Schools with a delegated budget – see Appendix A at the end of this document for additional information.	
2. Whether, where an active scheme member wishes to purchase extra annual pension of up to £6,822 (figure at 1 April 2018[2]) by making Additional Pension Contributions (APCs), The Societas Trust will voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC). Notes: - This discretion does not relate to cases where a member has a period of authorised unpaid leave of absence and elects within 30 days of return to work to pay a SCAPC to cover the amount of pension 'lost' during that period of absence. That is because, in those cases, the employer **must** contribute 2/3rds of the cost to a SCAPC. There may be some cases, even if it is not the employer's general policy to voluntarily contribute to a SCAPC, where an employer might wish to do so (see Options 2, 3, 4 and 5 opposite). - Any extra annual pension granted by the employer under a SCAPC arrangement would be subject to an actuarial reduction where, other than in a case of ill health retirement, that extra pension is drawn before the member's Normal Pension Age. - It should also be noted that the amount of extra annual pension purchased (or being purchased) by the employer under a Shared Cost Additional Pension Contributions (SCAPC) arrangement (including a SCAPC arrangement where an employer is	The Societas Trust will only voluntarily contribute towards the cost of purchasing extra pension via a Shared Cost Additional Pension Contribution (SCAPC) in two situations. Firstly, where: - an active scheme member returns from a period of authorised leave of absence, and - the member does not, within 30 days of returning from the leave of absence, make an election to buy-back the amount of pension 'lost' during that period of leave of absence, and - the member subsequently makes an election to do so whilst an active member and it can be demonstrated that the reason for the member missing the original 30 day deadline was because the member had not been made aware of that deadline, and - the election is made no more than 3 months after the member returns from the period of leave of absence or such longer period as The Societas Trust may deem reasonable in any individual case. A decision on whether the member meets the above criteria (and on whether the 3 month

[2] The figure of £6,500 that applied at April 2014 is increased each April (starting April 2015) under the Pension (Increase) Act 1971 (as if it were a pension with a PI date of 1 April 2013).

contributing 2/3rds of the cost of purchasing pension 'lost' during a period of absence) reduces the amount of extra annual pension the employer could award under entry 1 above. - The maximum amount of £6,822 (figure at 1 April 2018) includes any amount of additional pension purchased, or being purchased, by the member under regulation 14 of the LGPS (Benefits, Membership and Contributions) Regulations 2007.	period referred to should be extended in any individual case) will be taken by the CEO and, where it is agreed that the conditions are met, The Societas Trust will be required to contribute 2/3rds of the cost of buying back the 'lost' pension via a SCAPC. Secondly, in exceptional circumstances where The Societas Trust considers it is in its financial or operational interests to do so. Each case to contribute to a SCAPC (and a decision on the amount to be contributed) will be considered on the merits of the financial and / or operational business case put forward and will require the approval of the Trust Board.
3. Whether to permit flexible retirement for staff aged 55[3] or over who, with the agreement of The Societas Trust, reduce their working hours or grade and, if so, as part of the agreement: - whether, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw if flexible retirement is agreed), to permit the member to choose to draw • all, part or none of the pension benefits they accrued after 31 March 2008 and before 1 April 2014, and / or • all, part or none of the pension benefits they accrued after 31 March 2014, and	<u>Flexible retirement</u> The Societas Trust will not agree to flexible retirement except in circumstances where The Societas Trust 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, - will set out whether, in additional 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

[3] Age 50 for those LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies. Such members only need the employer's permission to reduce their working hours or grade but, if that permission is given, do not require their employer's permission to draw their benefits (as such members have the automatic right to take the benefits by virtue of regulation 18A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 and regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014).

- whether to waive, in whole or in part , any actuarial reduction which would otherwise be applied to the benefits taken on flexible retirement before Normal Pension Age (NPA) [4]. Notes: - Scheme employers should, prior to 1 April 2014, already have prepared and published a policy on flexible retirement for flexible retirements under the 2008 Scheme and for waiving any actuarial reduction in whole or in part (in accordance with the LGPS (Administration) Regulations 2008). Employers may, therefore, wish to simply carry forward their existing policy (assuming they have one), but suitably amended for post 31 March 2014 flexible retirements to reflect the above provisions. - If flexible retirement is agreed for a scheme member aged 55 or over but under 60 who is subject to the 85 year rule[5] and who, at the date of flexible retirement, has either met the 85 year rule or would have met the rule before age 60, there would be a strain on fund cost to be met by, and paid to the Pension Fund by, the employer in respect of the pension benefits paid following flexible retirement. The 85 year rule is satisfied if the person was a member	b) all, some or none of their post 31 March 2014 benefits, and - will require the approval of the Trust Board. Where flexible retirement is being considered, there must be a reduction of at least one grade or, in the case of a flexible retirement due to a reduction in working hours, be a minimum reduction in hours of 20% e.g. the equivalent of the hours for one working day. <u>Waiver of any actuarial reduction on flexible retirement</u> 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. The Societas Trust will only waive any such reduction, in whole or in part, where it considers it is in its financial or

[4] NPA means the employee's individual State Pension Age at the time the employment is terminated, but with a minimum of age 65 (although, the NPA for membership accrued prior to 1 April 2014 is still linked to age 65, apart from those LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies for whom the NPA for membership accrued prior to 1 April 2014 is, by virtue of that regulation and regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, still linked to age 60, and those LGPS members who are employees of the Meat Hygiene Service in the London Pension Fund Authority fund who are covered by regulation 144B of the LGPS Regulations 1997 for whom the NPA for membership accrued prior to 1 April 2014 is, by virtue of that regulation and regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, still linked to age 60). State Pension Age is currently age 65 for men. State Pension Age for women is currently being increased to be equalised with that for men and will reach 65 by November 2018. The State Pension Age will then increase to 66 for both men and women from December 2018 to October 2020. Under current legislation the State Pension Age is due to rise to 67 between 2026 and 2028 and to 68 between 2044 and 2046. However, the government has announced plans to link rises in the State Pension Age above age 67 to increases in life expectancy.

[5] The 85 year rule does not apply to former members of the Metropolitan Civil Staffs Superannuation Scheme, or Meat Hygiene Service members, or civil servants transferred to the Environment Agency who by virtue of regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 are subject to, respectively, regulation 144A of, and Schedule 7 to, the LGPS Regulations 1997, regulation 144B of the LGPS Regulations 1997 and regulation 15 of the LGPS (Transitional Provisions) Regulations 2008.

of the LGPS on 30 September October 2006 and the member's age at the date they draw their benefits and their scheme membership (each in whole years) add up to 85 or more. If they are part-time, their membership counts towards the 85 year rule at its full calendar length. - Where flexible retirement is agreed for an employee aged 55 or over but under Normal Pension Age the cost of waiving any actuarial reduction, in whole or in part, would have to be met by, and paid to the Pension Fund by, the employer. - Overall, the benefits of flexible retirement include: • it assists in reducing capacity if required, and helps avoid redundancies (and associated costs) • it can be a useful tool to support change management • it helps achieve and retain a balanced age profile within the workforce • it aids retention of required skills / knowledge / experience and enables transfer of skills / knowledge in the period leading up to an employee's full retirement • it offers a potentially acceptable solution to staff who may currently be a 'blockage' to promotion or re-organisation • it helps to alleviate 'burn out' and 'stress', improves morale, and assists in achieving Work-Life balance • it may assist a return to work after a medical related absence where ill health retirement is not appropriate • it assists employees to ease into retirement, making a gradual adjustment to full retirement.	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 Trust Board including, where the reduction is only to be waved in part, approval for the amount of reduction to be waived.
4. Whether, as the 85 year rule does not (other than on flexible retirement – see 3 above) <u>automatically</u> apply to members who would otherwise be subject to	The Societas Trust will not agree to apply the 85 year rule where members choose to voluntarily draw

it and who choose to voluntarily draw their benefits on or after age 55 and before age 60, to apply the 85 year rule[6] to such voluntary retirements. Notes: - If the member has met the 85 year rule or would have met it before age 60, there would be no strain on Fund cost charged to the employer unless the employer has agreed to apply the 85 year rule in the case in question. Instead, the cost would be met by an actuarial reduction to the scheme member's benefits[7]. - If the employer does agree to apply the 85 year rule, the employer will have to meet the cost of any strain on fund resulting from the payment of benefits before age 60 i.e. where the member has already met the 85 year rule, or would meet it before age 60. - Applying the 85 year rule might be a mechanism employers would wish to consider to encourage members to retire early to, for example, help achieve a balanced age profile within the workforce or to avoid possible redundancies later (which have attendant greater costs). - A half-way house would be to not apply the 85 year rule but to agree to waive some of the actuarial reduction that would otherwise be applied to the member's benefits (see 5 below). In this way the cost of drawing benefits early would be met in part by the scheme member (via an actuarial reduction to their benefits) and in part by the employer (via a strain on Fund charge).	their benefits on or after age 55 and before age 60 except in circumstances where The Societas Trust 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 Trust Board.

[6] The 85 year rule does not apply to former members of the Metropolitan Civil Staffs Superannuation Scheme, or Meat Hygiene Service members, or civil servants transferred to the Environment Agency who by virtue of regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 are subject to, respectively, regulation 144A of, and Schedule 7 to, the LGPS Regulations 1997, regulation 144B of the LGPS Regulations 1997 and regulation 15 of the LGPS (Transitional Provisions) Regulations 2008.

[7] There is no actuarial reduction on pre 1 April 2014 membership in the case of a former member of the Metropolitan Civil Staffs Superannuation Scheme who is aged 55 or over and has 25 years membership and who is covered by regulation 144A of, and Schedule 7 to, the LGPS Regulations 1997.

- The 85 year rule is satisfied if the person was a member of the LGPS on 30 September 2006 and the member's age at the date they draw their benefits and their scheme membership (each in whole years) add up to 85 or more. If they are part-time, their membership counts towards the 85 year rule at its full calendar length. Additional note for local authorities with staff in maintained schools: Although section 37 of the Education Act 2002 gives all of the Maintained Schools with a delegated budget the power to go beyond the Local Authority's policies in respect of the dismissal of, or for the purpose of securing the resignation of, any member of the school's staff, in reality, as this will entail additional cost, a community school, a community special school, a maintained nursery school, a foundation school, a foundation special school, a foundation trust school or a voluntary school is unlikely to depart from the Local Authority's policy. Nevertheless, the power to go beyond the Local Authority's policy for the purposes of the dismissal of, or securing the resignation of, any member of the school's staff exists and so the Local Authority's policy statement in relation to the ability to apply the 85 year rule to members who would otherwise be subject to it and who choose to voluntarily draw their benefits on or after age 55 and before age 60 as part of an arrangement for the dismissal of, or for the purpose of securing the resignation of, a member of staff will have to contain a modification to reflect the powers conferred by the Education Act 2002 on such Maintained Schools with a delegated budget – see Appendix A at the end of this document for additional information.	

5. For: i) active members voluntarily retiring on or after age 55[8] and before Normal Pension Age who elect under regulation 30(5) of the LGPS Regulations 2013 to immediately draw benefits, and ii) deferred members and suspended Tier 3 ill health pensioners who elect under regulation 30(5) of the LGPS Regulations 2013 to draw benefits (other than on ill health grounds) on or after age 55[9] and before Normal Pension Age who: - were <u>not</u> members of the LGPS before 1 October 2006 [Group 4 members], whether to: o waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits, if any, accrued before 1 April <u>2014</u>, and / or o waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March <u>2014</u> - <u>were</u> members of the LGPS before 1 October 2006 and <u>will</u> be 60 or more on 31 March 2016 [Group 1 members], whether to:	Where members choose to voluntarily draw their benefits on or after age 55 and before Normal Pension Age The Societas Trust 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 The Societas Trust considers it is in its financial or operational interests to do so or there are compelling compassionate[10] 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 Trust Board including, where the reduction is only to be waved in part, approval for the amount of reduction to be waived

[8] Age 50, by virtue of regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, for those LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies and those civil servants transferred to the Environment Agency to whom regulation 15 of the LGPS (Transitional Provisions) Regulations 2008 applies.

[9] Age 50, by virtue of regulation 24 of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014, for those LGPS members transferred from the Learning and Skills Council to whom regulation 16A of the LGPS (Benefits, Membership and Contributions) Regulations 2007 applies and who are electing for early payment of a deferred benefit (but not if they are electing for early payment of a suspended Tier 3 ill health pension) and those civil servants transferred to the Environment Agency to whom regulation 15 of the LGPS (Transitional Provisions) Regulations 2008 applies and who are electing for early payment of a deferred benefit or early payment of a suspended Tier 3 ill health pension.

[10] There is no definition in the Regulations of "compassionate grounds". However, one could take the view 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.

○ waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April 2016, and / or ○ waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2016 - were members of the LGPS before 1 October 2006 and will not be 60 or more on 31 March 2016 and will not attain age 60 between 1 April 2016 and 31 March 2020 [Group 3 members], whether to: ○ waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April 2014, and / or ○ waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2014 - were members of the LGPS before 1 October 2006 and will not be 60 or more on 31 March 2016 but will attain age 60 between 1 April 2016 and 31 March 2020 [Group 2 members], whether to: ○ waive on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits accrued before 1 April 2020, and / or ○ waive, in whole or in part (on any grounds), any actuarial reduction that would otherwise be applied to benefits accrued after 31 March 2020 Note: - If the employer does agree to waive any actuarial reduction, the employer will have to meet the cost of the strain on fund resulting from that waiver. Additional note for local authorities with staff in maintained schools:	

Although section 37 of the Education Act 2002 gives all of the Maintained Schools with a delegated budget the power to go beyond the Local Authority's policies in respect of the dismissal of, or for the purpose of securing the resignation of, any member of the school's staff, in reality, as this will entail additional cost, a community school, a community special school, a maintained nursery school, a foundation school, a foundation special school, a foundation trust school or a voluntary school is unlikely to depart from the Local Authority's policy. Nevertheless, the power to go beyond the Local Authority's policy for the purposes of the dismissal of, or securing the resignation of, any member of the school's staff exists and so the Local Authority's policy statement in relation to the ability to waive an actuarial reduction as part of an arrangement for the dismissal of, or for the purpose of securing the resignation of, a member of staff will have to contain a modification to reflect the powers conferred by the Education Act 2002 on such Maintained Schools with a delegated budget – see Appendix A at the end of this document for additional information.	
6. Whether, how much, and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement entered into on or after 1 April 2014 and whether, how much, and in what circumstances to continue to contribute to any shared cost Additional Voluntary Contribution (SCAVC) arrangement entered into before 1 April 2014. Note: - Scheme employers should, prior to 1 April 2014, already have prepared and published a policy on SCAVCs under the 2008 Scheme (in accordance with the LGPS (Administration) Regulations 2008). Employers may, therefore, wish to simply carry forward their existing policy (assuming they have one), but suitably amended to reflect both of the elements referred to above.	The Societas Trust will not enter into a shared cost AVC arrangement.

7. Whether to 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 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) if the member has not made an election to retain separate benefits within 12 months of commencing membership of the LGPS in the new employment (or within 12 months of ceasing the concurrent membership).	The Societas Trust 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 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 The Societas Trust agrees that the available evidence indicates the member had not been informed of the 12 month time limit due to maladministration; b) where The Societas Trust 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 The Societas Trust 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 member's whole-time equivalent pensionable pay on commencing with The Societas Trust is, in real terms after allowing for inflation, significantly less than the whole-time equivalent pensionable pay

	upon which the deferred benefits were calculated). 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 Trust Board.
8. Whether, with the agreement of the Pension Fund administering authority, to permit a Scheme member to elect to transfer other pension rights into the LGPS if he / she has not made such an election within 12 months of joining the LGPS. Note: - Scheme employers should, prior to 1 April 2014, already have prepared and published a policy on late elections under the 2008 Scheme (in accordance with the LGPS (Administration) Regulations 2008). Employers may, therefore, wish to simply carry forward their existing policy (assuming they have one). - Accepting an election after 12 months can result in additional cost to the employer (e.g. where an employee opts to transfer in prior to a large salary rise / promotion / re-grading if the member has any pre 1 April 2014 membership, or where an employee opts to transfer in prior to early retirement on the grounds of redundancy, business efficiency or ill health). - Unlike under the 2008 Scheme, where the discretion to allow a late election rested solely with the employer, under the 2014 Scheme both the employer and the Pension Fund administering authority have to agree to the acceptance of a late election. If one agrees, and the other does not, the late election cannot be accepted.	The Societas Trust 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

- Even if an election is made within 12 months of joining the LGPS, the Pension Fund administering authority can decide not to accept a transfer of pension rights into the LGPS (other than where the transfer is being made under the public service pension scheme Club rules).	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. 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 Trust Board.
9. How the pension contribution band/rate to which an employee is to be allocated will be determined on joining the Scheme and at each subsequent April, and the circumstances in which the employer will, in addition to the review each April, review the pension contribution band/rate to which an employee has been allocated consequent upon a material change which affects the member's pensionable pay in the course of a Scheme year (1 April to 31 March). Notes: - If an employee holds more than one employment and these are treated as separate jobs, each job (and the pensionable pay from that job) is assessed separately when determining the contribution band/rate for each job (so an employee may be paying different contribution rates in each job, depending on the pay levels in those jobs). - Any reductions in pensionable pay due to sickness, child related leave, reserve forces service leave or other absence from work are to be disregarded when assessing / reviewing the appropriate band / contribution rate.	Item 9 opposite represents the policy of The Societas Trust (the employer) on: a) allocating a member to a contribution rate on joining the Scheme (after 1 April 2014) b) reallocating a member to a new contribution rate during a Scheme year (1 April to 31 March) following a material change which affects the member's pensionable pay c) reallocating a member to a new contribution rate each 1 April

- As from 1 April 2014, part-time members' contribution rates are assessed on actual pensionable pay rather than full-time equivalent rates of pay. - The move to using actual pensionable pay in the assessment of the contribution band/rate within which an employee falls will necessitate the employer making an assumption as to what pensionable pay a person will probably receive in the Scheme year. This will be done by the employer in a number of ways: • the annual rate of contractual pay, or • the weekly contractual rate multiplied by 52.143 - The employer will assess the appropriate contribution band/rate in a reasonable and consistent manner. - Allocating employees to an appropriate band/rate is relatively straight forward where the employee is not expected to undertake any additional hours in excess of the contractual hours. However, it is less straight forward where the number of hours an employee may work in a year is not known. - Where an employee with part-time contractual hours is likely to undertake a number of additional hours in excess of their contractual hours, the employer will: i) use one of the methods in the bullet points above i.e. allocate the employee to the band/rate applicable to their contractual hours only and subsequently review the band/rate allocation at an appropriate time (see 'Reallocation' below);	

- Matters become more complicated with employees who have no contractual hours of employment e.g. casual employees, or employees on zero hours contracts. In these cases the employer will: a) allocate the employee to the lowest band (5.5%) and subsequently review the band/rate allocation at an appropriate time (see 'Reallocation' below) - The Employer will notify scheme members, as soon as possible, of the contribution rate the member will pay and give the member notification of their right of appeal under the Internal Disputes Resolution procedure (IDRP). <u>'Reallocation'</u> - After the initial pay band and contribution rate has been determined for an employee the employer will reassess the appropriate band and rate each April (in the pay period in which 1st April falls) and is permitted by the regulations to reassess the band / rate to which a member has been attributed if, during the Scheme year (1st April to 31st March), there is a material change which affects the member's pensionable pay (e.g. on promotion, demotion, re-grading, a pay award, an increment, a variation to a member's contractual hours, a change of job, or a move from a casual post to a post with contractual hours). This can result in a retrospective reallocation to a different contribution band/rate with a consequential adjustment to the employee contributions due (e.g. where there is a retrospective pay award or retrospective re-grading) but the employer will only apply the new rate from the date the pay award or re-grading is actioned on the payroll. - However where the initial band/rate was set based on an estimated pay figure, the employer will put in place a process to regularly review the actual pensionable pay being received in order to ensure the correct rate is being applied. Such a review will take place:	

a) each year with the rate for the next Scheme year being set by reference to o the actual pensionable pay received in the previous Scheme year - The Employer will notify scheme members of any change in the contribution rate the member will pay, the date the new rate is effective from, and give the member notification of their right of appeal under the Internal Disputes Resolution procedure (IDRP). The notification will be given to the member as soon as is reasonably practicable after the decision to change the rate has been made.	
10. Whether or not, when calculating assumed pensionable pay when a member (other than a returning officer[11]) is: - on reduced contractual pay or no pay on due to sickness or injury, or - absent during ordinary maternity, paternity or adoption leave or paid shared parental leave, or during paid additional maternity or adoption leave (other than any part of that leave where the pensionable pay received is greater than the assumed pensionable pay for that part of the leave period), or - absent on reserve forces service leave, or - retires with a Tier 1 or Tier 2 ill health pension, or - dies in service to include in the calculation the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred.	In assessing Assumed Pensionable Pay (APP) The Societas Trust will not, other than in exceptional circumstances, include in the calculation any 'regular lump sum payments', in which case the decision to include the 'regular lump sum payment' will be subject to the approval of the Trust Board.

[11] i.e. a returning officer or acting returning officer at local government elections, or elections for the National Assembly of Wales, or Parliamentary elections or European Parliamentary elections.

Notes:

- A ‘regular lump sum payment’ is a payment for which the employer determines there is a reasonable expectation that such a payment would be paid on a regular basis

- Whilst all lump sum payments are, initially, ignored when calculating assumed pensionable pay, it is entirely at the employer’s discretion whether or not to include in the calculation of assumed pensionable pay the amount of any ‘regular lump sum payment’ received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred. Take, for example, the following two situations as examples:

  i) if a ‘regular lump sum payment’ is added back for a member on reduced contractual pay or no pay on due to sickness or injury, or absent during ordinary maternity, paternity or adoption leave, or paid shared parental leave, or during paid additional maternity or adoption leave, or absent on reserve forces service leave, that member can finish up with a bigger pension accrual than if the member had not been absent and had, instead, been at work. Take the case where a member receives a £1,200 annual performance payment in May 2015 and goes onto reduced contractual pay due to sickness for the period 1 November 2015 to 31 December 2015, returning to full pay from 1 January 2016. The £1,200 has already been included in the member’s pensionable pay cumulatives for 2015/16. If it was included in assumed pensionable pay for November and December 2015, 2/12 of £1,200 (i.e. £200) would be added into the cumulative pensionable pay. If the member had not been sick, that £200 would not have been included in pensionable pay (as the member was not next due to get a lump sum annual performance payment until May 2016)

ii) it might seem reasonable to add back any 'regular lump sum payment' received by the member in the 12 months preceding ill health retirement or death in service into the assumed pensionable pay to be used to work out the amount of enhanced pension for a member who retires with a Tier 1 or Tier 2 ill health pension, or used to work out the survivor pension and / or death grant for a member who dies in service. However, what if the member is, say, only 40 at the time of the ill health retirement / death in service? Is it likely that the employer would have paid such a lump sum to the member every year between age 40 and the member's Normal Pension Age? That, in essence, would be implied as being the case if the employer were to add the lump sum back into the assumed pensionable pay figure to be used to calculate the amount of ill health enhanced pension and / or survivor pension. - Any decision as to whether or not to include in the calculation of a scheme member's assumed pensionable pay the amount of any 'regular lump sum payment' received by the member in the 12 months preceding the date the absence began or the ill health retirement or death occurred would need to be fair, equitable and justifiable. - For more information on assumed pensionable pay please see the guide at http://www.lgpsregs.org/index.php/guides/hr-guide-to-the-2014-scheme	

Annex 3

Table E: Discretions to be exercised under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006	**The Societas Trust policy**
1. Whether to base a redundancy payment on an employee's actual weeks' pay where this exceeds the statutory week's pay limit of, currently, £525 per week (as at 6 April 2019). Notes: - Scheme employers should, prior to 1 April 2014, already have prepared and published a policy on the above matter under the Discretionary Compensation Regulations 2006. Scheme employers should ensure that their current policy is up to date. - Lump sum severance / compensation payments are subject to the normal rules in relation to the taxation of severance payments. The current rules are that the first £30,000 of severance pay is tax-free. Generally speaking, payments counting towards the £30,000 limit would include: • the statutory redundancy payment and any increase in the redundancy payment where the redundancy payment is based on the employee's actual pay, rather than being limited to the statutory weeks' pay limit, • pay in lieu of notice (PILON) - but in some circumstances PILON can be fully taxable (e.g. where it is contractual, or has become an implied contractual term through custom and practice), and	Any redundancy payment will be calculated on an employee's weekly pay but, other than in exceptional circumstances, limited to the statutory weeks' pay limit where pay exceeds that limit. Should a request for exceptional circumstances be made, then the request will be considered on the merits of the financial and / or operational business case put forward and will require the approval of the Trust Board.

• a lump sum compensation payment which is being paid under the 104 weeks' pay provision (see entry 2 below), but employers should refer to HM Revenue and Customs guidance (see https://www.gov.uk/government/publications/cwg2-further-guide-to-paye-and-national-insurance-contributions and the detailed guidance at http://www.hmrc.gov.uk/manuals/eimanual/EIM12800.htm). - Unlike an award of extra annual pension (see entry 1 in Table A above): • any increase in the redundancy payment where the redundancy payment is based on the employee's actual pay, rather than being limited to the statutory weeks' pay limit, and • any lump sum compensation payment which is being paid under the 104 weeks' pay provision (see entry 2 below) does not count towards the members Annual Allowance or Lifetime Allowance. Additional note for local authorities with staff in maintained schools: - Although section 37 of the Education Act 2002 gives all of the Maintained Schools with a delegated budget the power to go beyond the Local Authority's policies in respect of the dismissal of, or for the purpose of securing the resignation of, any member of the school's staff, in reality, as this will entail additional cost, a community school, a community special school, a maintained nursery school, a foundation school, a foundation special school, a foundation trust school or a voluntary school is unlikely to depart from the	

Local Authority's policy. Nevertheless, the power to go beyond the Local Authority's policy for the purposes of the dismissal of, or securing the resignation of, any member of the school's staff exists and so the Local Authority's policy statement in relation to the ability to base a redundancy payment on an employee's actual weeks' pay where this exceeds the statutory week's pay limit as part of an arrangement for the dismissal of, or for the purpose of securing the resignation of, a member of staff will have to contain a modification to reflect the powers conferred by the Education Act 2002 on such Maintained Schools with a delegated budget – see Appendix A at the end of this document for additional information.	
2. Whether to make a termination payment (inclusive of any redundancy payment) of up to a maximum of 104 weeks' pay to employees whose employment is terminated on the grounds of redundancy or efficiency of the service. Notes: - Scheme employers should, prior to 1 April 2014, already have prepared and published a policy on the above matter under the Discretionary Compensation Regulations 2006. Scheme employers should ensure that their current policy is up to date. - A decision to make a termination payment under the 104 weeks' pay provision must be made within 6 months of the date of termination of the member's employment. - A termination payment under the 104 weeks' pay provision cannot be made if the employer:	The Societas Trust will not, other than in exceptional circumstances, make a termination payment (inclusive of any redundancy payment) of up to a maximum of 104 weeks' pay to employees whose employment is terminated on the grounds of redundancy or efficiency of the service. Any decision to make a termination payment (inclusive of any redundancy payment) of up to a maximum of 104 weeks' pay to employees whose employment is terminated on the grounds of redundancy or efficiency of the service will be considered on the merits of the financial and / or operational business case put forward and subject to the approval of the Trust Board.

• makes an award of extra annual pension under regulation 31 of the Local Government Pension Scheme Regulations 2013 – see entry 1 in Table A above). - Lump sum severance / compensation payments are subject to the normal rules in relation to the taxation of severance payments. The current rules (at 1 February 2015) are that the first £30,000 of severance pay is tax-free. Generally speaking, payments counting towards the £30,000 limit would include: • the statutory redundancy payment and any increase in the redundancy payment where the redundancy payment is based on the employee's actual pay, rather than being limited to the statutory weeks' pay limit (see entry 1 above), • pay in lieu of notice (PILON) - but in some circumstances PILON can be fully taxable (e.g. where it is contractual, or has become an implied contractual term through custom and practice), and • a lump sum compensation payment which is being paid under the 104 weeks' pay provision but employers should refer to HM Revenue and Customs guidance (see https://www.gov.uk/government/publications/cwg2-further-guide-to-paye-and-national-insurance-contributions and the detailed guidance at http://www.hmrc.gov.uk/manuals/eimanual/EIM12800.htm). - Unlike an award of extra annual pension (see entry 1 in Table A above):	

• any increase in the redundancy payment where the redundancy payment is based on the employee's actual pay, rather than being limited to the statutory weeks' pay limit (see entry 1 above), and • any lump sum compensation payment which is being paid under the 104 weeks' pay provision does not count towards the members Annual Allowance or Lifetime Allowance. Additional note for local authorities with staff in maintained schools: - Although section 37 of the Education Act 2002 gives all of the Maintained Schools with a delegated budget the power to go beyond the Local Authority's policies in respect of the dismissal of, or for the purpose of securing the resignation of, any member of the school's staff, in reality, as this will entail additional cost, a community school, a community special school, a maintained nursery school, a foundation school, a foundation special school, a foundation trust school or a voluntary school is unlikely to depart from the Local Authority's policy. Nevertheless, the power to go beyond the Local Authority's policy for the purposes of the dismissal of, or securing the resignation of, any member of the school's staff exists and so the Local Authority's policy statement in relation to the ability to make a termination payment (inclusive of any redundancy payment) of up to a maximum of 104 weeks' pay as part of an arrangement for the dismissal of, or for the purpose of securing the resignation of, a member of staff will have to contain a modification to reflect the powers conferred by the Education Act 2002 on such Maintained Schools with a delegated budget – see Appendix A at the end of this document for additional information.	

Table G: Discretions to be exercised under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011	The Societas Trust policy
1. Whether to award an injury allowance in respect of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and in consequence of which he / she: - suffers a reduction remuneration, or - ceases to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease, or - dies leaving a surviving spouse, civil partner or dependant. Note: - Scheme employers might, prior to 1 April 2014, already have prepared and published a policy on the above matter under the Injury Allowances Regulations 2011. If so, they should ensure that their current policy is up to date. - An award cannot be made if, in respect of the injury or disease, the employee is entitled to an injury award under a scheme made in accordance with Section 34 of the Fire and Rescue Services Act 2004 or is entitled to injury benefits under regulations made in accordance with section 52 of the Police Act 1996.	The Societas Trust will not, other than in exceptional circumstances, make an award of an injury allowance in respect of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and in consequence of which he / she: - suffers a reduction remuneration, or - ceases to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease, or - dies leaving a surviving spouse, civil partner or dependant. Should a request for exceptional circumstances be made, then the request will be considered on the merits of the financial and / or operational business case put forward and will require the approval of the Trust Board.

2. The employer will use the following methodology to calculate an injury allowance award in respect of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and in consequence of which he / she suffers a reduction remuneration. Notes: - The employee's remuneration is treated as reduced at any time when it is lower than it would have been but for the injury or disease. - The amount of the allowance is to be of such amount as the employer will from time to time determine but must not in any year exceed the shortfall between the person's remuneration in the employment and the remuneration he / she would have been paid if he / she had not sustained the injury or contracted the disease. - The allowance must cease when the reduction in remuneration ceases to apply. - In determining the amount of the allowance, the employer will have regard to all the circumstances of the case including, but not limited to: • the degree of injury sustained or the severity of the disease contracted as assessed by an Independent Registered Medical Practitioner, and the level of any of the following which the person may receive • social security benefits • any benefit or compensation under a statutory right	Item 2 opposite represents the policy of The Societas Trust (the employer) on: calculating an injury allowance award in respect of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and in consequence of which he / she suffers a reduction remuneration.

• pension benefits • damages recovered and any sum received by virtue of a contract of insurance The employer will also take account of the degree of contributory negligence on the part of the employee, if any. - Where the employee had sustained an injury, the employer will not take into account: • any benefit payable periodically which the person was entitled to be paid before the injury was sustained • any right which accrued before the injury was sustained • any damages or sum received by virtue of such a right. - Before making a decision over entitlement to, or the amount of, any award the employer will obtain a certificate from an Independent Registered Medical Practitioner qualified in occupational health medicine[12] as to whether, in his / her opinion, the person sustained the injury or contracted the disease in the course of carrying out his / her work.	
3. The employer will use the following methodology to calculate an injury allowance award in respect of an employee who	Item 3 opposite represents the policy of The Societas Trust (the employer) on:

[12] Qualified in occupational health medicine means an IRMP who is registered with the General Medical Council and who holds a diploma in occupational health medicine (D Occ Med) or an equivalent qualification issued by a competent authority in an EEA state; and for the purposes of this definition, "competent authority" has the meaning given by section 55(1) of the Medical Act 1983; or is an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or an equivalent institution of an EEA State.

sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and who ceases to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease. Notes: - The amount of the allowance is to be of such amount as the employer will from time to time determine but must not exceed 85% of the person's annual rate of remuneration at the date of cessation of employment. - The employer will suspend or discontinue the allowance if the person secures gainful employment i.e. paid employment for not less than 30 hours in each week for a period of not less than 12 months. - In determining the amount of the allowance, the employer will have regard to all the circumstances of the case including, but not limited to: • the degree of injury sustained or the severity of the disease contracted as assessed by an Independent Registered Medical Practitioner, and the level of any of the following which the person may receive • social security benefits • any benefit or compensation under a statutory right • pension benefits • damages recovered and any sum received by virtue of a contract of insurance	calculating an injury allowance award in respect of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and who ceases to be employed as a result of an incapacity which is likely to be permanent and which was caused by the injury or disease.

The employer will also take account of the degree of contributory negligence on the part of the employee, if any. - Where the employee had sustained an injury, the employer will not take into account: • any benefit payable periodically which the person was entitled to be paid before the injury was sustained • any right which accrued before the injury was sustained • any damages or sum received by virtue of such a right. - Before making a decision over entitlement to, or the amount of, any award the employer will obtain a certificate from an Independent Registered Medical Practitioner qualified in occupational health medicine[13] as to whether, in his / her opinion, the person sustained the injury or contracted the disease in the course of carrying out his / her work and had ceased to be employed as a result of an incapacity which is likely to be permanent and was caused by the injury or disease.	
	Item 4 opposite represents the policy of The Societas Trust (the employer) on:

[13] Qualified in occupational health medicine means an IRMP who is registered with the General Medical Council and who holds a diploma in occupational health medicine (D Occ Med) or an equivalent qualification issued by a competent authority in an EEA state; and for the purposes of this definition, "competent authority" has the meaning given by section 55(1) of the Medical Act 1983; or is an Associate, a Member or a Fellow of the Faculty of Occupational Medicine or an equivalent institution of an EEA State.

4. The employer will use the following methodology to calculate an injury allowance or lump sum award for a surviving spouse, civil partner, nominated cohabiting partner or dependant of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and as a result of which he / she dies. Notes: - The amount of the allowance or lump sum is to be of such amount as the employer will from time to time determine. - In determining the amount of the allowance or lump sum, the employer will have regard to all the circumstances of the case including, but not limited to, the level of any of the following which the person may receive: • social security benefits • any benefit or compensation under a statutory right • pension benefits • damages recovered and any sum received by virtue of a contract of insurance The employer will also take account of the degree of contributory negligence on the part of the deceased employee, if any.	calculating an injury allowance or lump sum award for a surviving spouse, civil partner, nominated cohabiting partner or dependant of an employee who sustains an injury or contracts a disease as a result of anything he / she was required to do in performing the duties of their job and as a result of which he / she dies.