

**HR**

**Policy**

**Flexible**

**Retirement**

**Policy**

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| Version | Changes | Author |
| V1 October 2014 |  |  |
| V2 January 2019 | Removed links to out of date policies / updated changes to team name and job titles | People Management |
| V3 November 2020 | Consent for Pension estimates | People Management |
| V4 February 2023 | Removal of ‘Abatement’  Clarifying ‘rule of 85’ | People Management |

Scope

This policy applies to all employees covered by the NJC for local government employees and all other employees of the County Council for whom there is no other specific procedure laid down in national or local conditions of service, or where contractual conditions specify this procedure.

It covers employees aged 55 or over and who are active members of the Local Government Pension Scheme (LGPS) and have 3 or more months’ pensionable service.

Employees who are not members of the Local Government Pension Scheme and who wish to reduce their hours / grade in the approach to retirement, may make an application under this policy (without payment of LGPS pension benefits) if they are aged 55 or over and have 3 or more months’ service with the Council.

Purpose

This policy is intended to enable employees to strike the right balance between working and their personal life when preparing for the change between working full-time and ceasing to work due to retirement. It is also intended to enable the Council to retain the skills and knowledge of employees who are considering retirement and support its People Strategy.

Principles

Flexible Retirement may only be approved where it is of benefit to service provision delivery or is of sound economic benefit to the Council

To be considered for flexible retirement (and payment of LGPS pension benefits) an employee must:

* be aged between 55 and 74 (74 is the maximum age for admission to the LGPS);
* have 3 or more months’ membership of the LGPS, or have transferred pension rights into the LGPS; and
* reduce the hours of their current job by at least 20 per cent or transfer to another available job which has either at least 20 per cent fewer hours or is at a lower grade
* for employees with two or more post, each post stands alone. Therefore the reduction in hours must come from either one post or from both. It is not possible to make the reduction by stopping only one of the posts completely.

LGPS regulations specify that an employee can only take flexible retirement if the Council gives its consent to:

• a reduction in the employee’s hours and / or grade, and

• release of their accrued pension benefits

Once flexible retirement is granted, an employee cannot apply for a future position that may result in either an increase in hours or a higher grade.

Flexible retirement is an opportunity for an employee to continue working for the Council on reduced hours of work or at a lower grade, while drawing their accrued benefits. They may be eligible to continue paying into the pension scheme for their new position, and build up further retirement benefits, should they wish to do so. Employees who wish to re-join the Pension Scheme should notify the Service Centre in writing.

Employees taking flexible retirement before their normal pension age will have a reduction in their pension benefits . Some pre 2008 pension protections may apply i.e. the ‘rule of 85’. Employees will need to check their personal circumstances with LPPA to see if they are covered by the ‘rule of 85’.

There cannot be a trial period for flexible retirement, because of the direct impact on pension benefits, business planning and other staff.

In order to ensure fairness and a consistency of approach to employees, decisions on individual requests will be determined jointly by the Corporate Assistant Director and the Assistant Director People Management, acting on behalf of the Council.

In considering the employee’s request they will need to consider the following:

• The benefits to the service

• The effect on the ability to meet customer needs

• Workload considerations

• Impact on other staff

• Resource implications e.g. the capital costs associated with the early release of pension

• The business case for supporting flexible retirement and a template has been drafted for this purpose (see Appendix E).

It is essential that all employees ensure they receive individual pension details from the Pension Administrator prior to making their application. Due to the potential implications and cost to the organisation, individuals should apply for consideration via their Line Manager. In the first instance the employee may obtain pension estimates through their line manager. In these circumstances they are consenting to their manager(s) (and their advisors) obtaining details of their pension benefits.

Any extension of time limits is to be by agreement of the Line Manager and the individual. If this cannot be agreed, the request for Flexible Retirement will be considered on the basis of the information available at the time.

Outcomes and Measures

The effective application of this policy and its principles will be determined by the following measures.

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| OUTCOME | MEASURES |
| Effective workforce demographics to meet business needs | Delivery of service provision |
| Increased employee retention | HR Management Information |
| Consistency of Application | Reduction in appeals |

Evaluation and Review

This Policy and supporting Procedure and Guidelines will be evaluated at regular intervals using the outcomes and measures set out above.

The performance management framework of National Indicators and Corporate Performance Indicators will be utilised where appropriate to evaluate and implement appropriate action if required.

The People Management team will issue procedures and guidelines to enact this Policy and these documents will have the force of this Policy.

In order to ensure continuous improvement, the relevant Assistant Director has delegated authority to make amendments to the Procedure and Guidelines to meet best practice and legislative requirements.

This policy and supporting procedures and guidelines will be reviewed on an annual basis in the light of operating experience, changes in legislation, financial constraints facing the Council, or changes in Pension Regulations.