

RETIREMENT POLICY AND PROCEDURE

1. Introduction

- 1.1 Wyre Council no longer operate a compulsory retirement age and employees should, wherever possible, be permitted to continue working for as long as they wish to do so.

The purpose of this policy is to help managers and employees to understand the options which are available in relation to retirement.

2. Retirement Options and the Local Government Pension Scheme.

2.1 Normal Retirement Age (NRA)

The normal retirement age for Local Government Pension Scheme members has been aligned to the employee's individual State pension age at the time the employment is terminated (with a minimum of age 65). At this age you can choose to retire without the Council's consent and receive immediate payment of your scheme benefits. Your benefits will be calculated based on the service you have built up to this date and will not be subject to any reductions.

2.2 Early Retirement Age 55 or over

Employees who are aged 55 or over can voluntarily retire by giving the appropriate notice period for their post. However their pension benefits may be subject to reductions because they are leaving the scheme before the pension scheme's normal retirement age.

Depending on length of service certain protections may apply and members of the pension scheme should contact Lancashire Pension Service for more information.

3. Phased Retirement

- 3.1 An employee may decide that he/she does not wish to retire in the near future but would benefit from alternative working arrangements in the short or medium term. These employees may make a request to the Council for phased retirement.

Phased retirement allows a change of working pattern so that an employee can reduce his/her hours gradually (for example, move to part-time working) prior to retirement. It may also involve changes to the employee's responsibilities to help the Council with its succession planning, and help the employee to adjust to, and prepare for, retirement.

The Council will follow the principles in its Work Life Balance policy when considering any such requests.

- 3.2 Phased retirement would not include release of the employee's pension benefits.

4. Flexible Retirement

- 4.1 Employees who are members of the LGPS and are aged over 55 may apply for either or both of two flexible retirement options. These allow accrued pension benefits to be paid before the normal age of retirement, while the employee continues to work for the Council and draw a salary. In most cases the pension benefits payable will be reduced to reflect the fact that they are being paid early, and therefore, potentially for a longer period.

4.2 When applying for Flexible Retirement employees should define the period of time within which they will want to retire in entirety.

4.3 **For information on Flexible Retirement please see the separate Flexible Retirement Policy.**

5. Monitoring Performance

5.1 Workplace discussions

The Council currently invites all employees to regular workplace discussions as part of the 1-2-1 Performance Appraisal Process. During those discussions, the line manager will discuss the employee's performance, developmental or training needs and the Council's and employee's future plans and expectations in the short, medium and long-term. Where the employee is of an age where they may wish to retire those discussions could include their future plans or proposals for retirement.

The Council will offer pre-retirement training at no cost to the employee. Details of this training is available from Human Resources.

6. Giving Notice of Retirement

6.1 Employees who wish to retire should inform their line manager in writing as far in advance as possible and, in any event, in accordance with his/her notice period as set out in his/her contract of employment. This will assist the Council with its succession planning. The Council will write to the employee acknowledging the employee's notice to retire.

The Line Manager will arrange a meeting with the employee to discuss arrangements for retirement, including the intended retirement date, succession and handover plans, pension details and phased retirement, if applicable.

All employees should note that it is their responsibility to ensure they are aware of the LGPS Pension as they relate to their individual circumstances. Although the Council will provide an estimate of benefits, employees should consider their pension provision and take independent financial advice before making any decision in relation to retirement.

7. Succession planning

7.1 An employee who is shortly to retire will often have considerable knowledge in relation to his/her role and responsibilities. The Council may require the employee's assistance and cooperation for any succession planning implications.

Prior to retirement, employees should cooperate with the Council by providing full details of the status of work projects and future steps; developing a job description, including key competencies and skills required for the role; ensuring a smooth handover of work; and assisting in training any successor etc.

8. Redundancy

8.1 The rules of the LGPS require that scheme members who are made redundant at or after age 55 will be entitled to immediate payment of unreduced pension benefits.

9. Retirement on the grounds of ill health

- 9.1 In cases where an employee's long-term ability to work is likely to be significantly affected by ill-health, the employee may become eligible for ill-health retirement under the terms of the LGPS.

The provisions of the scheme set stringent criteria for the management of all ill health retirements.

If a member's employment is ended due to ill health or infirmity of mind or body due to being:

- permanently incapable of discharging efficiently the duties of their employment; and
- they also have a reduced likelihood of being capable of undertaking any 'gainful employment' before normal retirement age;

they are entitled to receive immediate payment of pension benefits regardless of age, provided they have at least 2 years' membership or have transferred pension rights from a previous scheme.

Human Resources will provide detailed information (and assistance in making an application if appropriate) on request.

10. Employer Discretions on Early Termination of Employment.

- 10.1 The Council has certain discretionary functions available under the Local Government Pension Scheme (LGPS) that assist with the administration of the pension fund. A written statement of the Council's policy in relation to the exercise of certain discretionary functions available under those regulations is to be found on the intranet.

11. Re-employment after retirement

- 11.1 Employees who retire can seek re-employment via the Council's normal recruitment procedures. In some cases re-employment will affect payment of pension benefits and can lead to abatement of pension.

12. Disputes

- 12.1 Employees who are unhappy with a decision in respect of their retirement arrangements or pension benefits are advised to contact Human Resources in the first instance to determine whether an informal resolution can be achieved.

The LGPS also contains procedures for complaints or appeals from staff within an Internal Disputes Procedure who think there has been a mistake or that their entitlement has been incorrectly assessed. Details can be obtained from Human Resources or direct from the Pension Fund Administrators (Lancashire County Council)

13. Equality Impact Assessment and Monitoring

- 13.1 The operation of this policy will be monitored for its impact on different staff groups in line with the Equality Act 2010. This will enable the Council to assess whether any differences have an adverse impact on a particular group, such that further action would be required.

14. Data Protection

- 14.1 In implementing this policy, the Council will ensure that any personal data relating to the application of this policy will be obtained, processed and destroyed in line with Data Protection requirements.