

# **Flexible Retirement Policy**

## 1. Introduction

- 1.1 Wyre Council is committed to providing more choice and flexibility to employees to remain an employer of choice and to demonstrate how we value the contributions employees make.
- 1.2 The Council recognises that flexibility is something employees who wish to ease into retirement aspire to, making their transition from working life to retirement an enjoyable one. As an employer we also realise the benefit of retaining valuable knowledge and skills within the organisation.
- 1.3 This policy sets out how the provision of Flexible Retirement contained within the Local Government Pension Scheme (LGPS) will be operated within the Council for employees who are members of the LGPS.
- 1.4 This Policy must be read in conjunction with the Council's Retirement Policy and Procedure.

## 2. Regulations

- 2.1 The Local Government Pension Scheme allows scheme members who have attained the age of 55 to draw all or part of their retirement benefits under flexible retirement arrangements whilst continuing to work providing that:
  - the employer consents, and
  - there has been a reduction in hours, or
  - a reduction in grade.
- 2.2 Where the employer consents to flexible retirement, in addition to the benefits the member has accrued prior to 1 April 2008 (which the member must draw), the employer can also allow the member to choose to draw all, part or none of the pension benefits they accrued after 31 March 2008.
- 2.3 Benefits taken on flexible retirement will often be subject to a potential actuarial reduction if they are being drawn earlier than the member's normal retiring age to reflect the fact that they are being paid early, and therefore, potentially for a longer period.
- 2.4 Flexible retirement provisions may be operated for members potentially up to a member's 75<sup>th</sup> birthday.
- 2.5 Employers can if they choose waive, in whole or in part, any reductions that might apply.

## 3. Council Policy

- 3.1 This Policy sets out the Council's flexible retirement provisions and process by which requests from employees who have attained the age of 55, to draw all or part of their retirement benefits, will be considered in accordance with the Regulations. The policy provisions are summarised below.
- 3.2 All applications for flexible retirement must be submitted in writing to the Chief Executive or relevant Service Director.

- 3.3 As flexible retirement is a mechanism to help prepare for retirement, before submitting an application employees should have considered the period of time they envisage the reduction in hours/grade continuing until they retire in entirety. It is expected that this would not normally exceed a period of 3 years.
- 3.4 In submitting an application for consideration, an employee must agree to:
- a permanent reduction in hours which must be significant;
  - a reduction in grade which must be significant; or
  - a combination of both; and
  - a defined period within which they will retire in entirety as set out in 3.3.
- 3.5 The flexible retirement application must include an explanation of what impact, if any, the employee thinks agreeing to the request will have on the service and how, in the employee's opinion, any such impact might be accommodated. The employee must also specify their preferred working pattern if their request involves a reduction in hours.
- 3.6 Each application will be considered on its own merit and must be considered financially viable by the Council in terms of succession planning where a cost is incurred.
- 3.7 It is important to note that where benefits on flexible retirement are being drawn earlier than the employee's Normal Pension Age, these will be actuarially reduced. Only in exceptional circumstances, and where there is a justifiable business case, will consideration be given to waiving all or part of the reduction.

#### **4. Terms and Conditions following Flexible Retirement**

- 4.1 Employees who reduce their working hours will receive terms and conditions of employment on a pro-rata basis.
- 4.2 Employees who acquire a lower graded job will receive terms and conditions applicable to the new job.
- 4.3 There is no break in service when agreeing flexible retirement, ensuring continuity of service. This means that if an employee were to be made redundant they would maintain their continuous service for the calculation of redundancy payment although it will be based on their salary at the time of redundancy not that prior to their Flexible Retirement.
- 4.4 Once their pension has been released through Flexible Retirement staff can re-join the pension scheme however this will be a completely new membership. The periods of membership used to calculate your benefits paid on flexible retirement will not be taken into account in any subsequent calculation of benefits.

#### **5. Equality Impact Assessment and Monitoring**

- 5.1 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.

## 6. Data Protection

- 6.1 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.