

Ysgol Maesydderwen



Retirement (non-teachers) Policy

Type: Local Authority

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13/7/2020	 	Summer Term 2022

CYNGOR SIR POWYS COUNTY COUNCIL Retirement Policy and Procedure (including Early Retirement and Flexible Retirement)

This policy applies to all Powys County Council employees (except Teachers) although the provisions regarding pension benefits only apply to active members of the Local Government Pension Scheme

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RETIREMENT POLICY

CONTENTS

1. Introduction - Policy Statement	3
2. Scope	3
3. Policy Principles	3
4. Legal Background	3
5. Giving Notice of Retirement	3
6. Conditions of Service	3
7. Voluntary Retirement	4
8. Redundancy and Early Retirement	4
9. Ill-Health and Early Retirement	4
10. Efficiency of the Service and Early Retirement	5
11. Flexible Retirement	5
12. Retirement Process	6
13. Further Information	6
14. Policy Monitoring	7

APPENDIX A Flexible Retirement Application Form

1. INTRODUCTION - POLICY STATEMENT

- 1.1 The Council's policy is that employees may continue working until they give notice that they wish to retire. From 1 October 2011, the Council does not have a contractual retirement age.

2. SCOPE

- 2.1 This policy applies to all Council employees although certain sections are applicable only to those employees who are paying into the Local Government Pension Scheme (LGPS).

3. POLICY PRINCIPLES

- 3.1 The Council values the contribution of all employees and seeks to maximise their potential, whilst allowing them flexibility and choice about when to end their career. This policy sets out the Council's approach to the retirement of employees.

4. LEGAL BACKGROUND

- 4.1 The Equality Act 2010 makes discrimination in employment and training because of a person's age unlawful. This includes recruitment, terms and conditions, promotions, transfers and dismissals. The Employment Equality (Repeal of Retirement Age) Regulations 2011 abolished the Default Retirement Age of 65 from 1 October 2011.

5. GIVING NOTICE OF RETIREMENT

- 5.1 Employees who wish to retire normally from their employment are required to resign and give notice of their intended date of retirement to their manager in writing. The length of notice must be not less than their contractual notice period and as per the Single Status Agreement which sets out the required notice periods from 1 April 2014.
- 5.2 Employees are encouraged to give an early indication of their planned retirement date as this will assist the Council in ensuring appropriate succession plans are in place prior to the employee's retirement.
- 5.3 **Employees wishing to retire and who are members of the LGPS are urged to contact the Council's Pension Section at the earliest opportunity – at pensions@powys.gov.uk or by phoning 01597 826463. Alternatively, you can visit their website – www.powyspensionfund.org**

6. TERMS AND CONDITIONS

- 6.1 The effect of this policy is that the clause for employees who have a contractual retirement age stated in their terms and conditions of service is no longer applicable.

7. VOLUNTARY RETIREMENT

- 7.1 Pension scheme members may decide to retire at any time on or after attainment of their State Pension Age (but with a minimum age of 65) and receive unreduced pension benefits. (State Pension Ages can be calculated on the following site: www.gov.uk/calculate-state-pension).
- 7.2 Pension scheme members can voluntarily retire and take their benefits from attainment of age 55, subject to reductions for early payment where applicable.

8. REDUNDANCY AND EARLY RETIREMENT

- 8.1 Employees who are made redundant by the Council, and are aged over 55 and have been a member of the LGPS with at least 2 years membership (or transferred service), will be entitled to the immediate payment of unreduced benefits.

9. ILL-HEALTH AND EARLY RETIREMENT

- 9.1 A member of the LGPS who has at least two years membership (or transferred service) may leave the Council by reasons of being permanently incapable of discharging efficiently the duties of their job and who is immediately incapable of undertaking gainful employment.
- 9.2 An Independent Registered Medical Practitioner (IRMP) must certify that a member of staff is permanently incapable of undertaking any gainful employment. The IRMP will give an opinion as to which one of three tiers applies, as follows:

9.2.1 The first tier

Where there is no reasonable prospect of the member being capable of undertaking any gainful employment before reaching State Pension Age. In these circumstances, the member will receive benefits based on their accrued rights up to the date of termination plus an enhancement equal to prospective service from the termination date to State-Pension Age.

9.2.2 The second tier

Where the member is judged to be incapable of undertaking any gainful employment within 3 years after leaving employment, but is likely to be able to do so before reaching State Pension Age. In these circumstances, the member will receive benefits based on their accrued rights up to the date of termination plus an enhancement equal to 25% of prospective service from the termination date State Pension Age.

9.2.3 The third tier

Where the member is judged to be likely of being capable of undertaking gainful employment within 3 years of leaving employment. In these circumstances, the

member will receive benefits based on their accrued rights up to the date of termination. These benefits are payable for such time as the member does not obtain gainful employment (or is capable of it), or until the employer stops payments following review. The third tier pension is payable for a maximum of 3 years.

10. EFFICIENCY OF THE SERVICE AND EARLY RETIREMENT

- 10.1 An employee whose employment is terminated on the grounds of efficiency and is aged 55 or over and has been a member of the LGPS with at least 2 years membership (or transferred service), will receive the immediate payment of unreduced benefits.
- 10.2 The consideration for early retirement 'in the interest of efficiency of the service' will be made at the Council's discretion. This option may be considered when all other possible alternatives have been exhausted, e.g. a reduction in hours, retraining, redeployment, etc. Full consideration should also be given as to the appropriateness of other policies and procedures, e.g. Redundancy, or Sickness Absence Management policy.

11. FLEXIBLE RETIREMENT

- 11.1 Employees who are members of the Local Government Pension Scheme (LGPS) may consider a flexible retirement pattern of work as an alternative to full retirement. Employees who are not members of the LGPS may request flexible working hours (flexible retirement) using the normal Flexible Working Request form found in the Flexible Working policy. Members of the LGPS who apply for flexible retirement must complete the form attached as Appendix A.
- 11.2 In order for a Flexible Retirement request to be considered, the employee must:
- be aged 55 or over
 - be paying into the Local Government Pension Scheme
 - have worked for Powys County Council for at least 2 years before applying
 - be applying to reduce contractual working hours/salary by at least 20% (or equivalent to 20% reduction)
 - Reduction of hours/salary must apply for at least 12 months after the implementation date.
 - State their planned retirement date
- 11.3 The Flexible Retirement request will be considered at all stages in accordance with the following criteria:
- the needs of the employee, reasons for request and future retirement plans;
 - cost and associated savings arising from allowing the request;
 - service implications;
 - ongoing workload management implications;
 - structural implications (which should be the subject of consultation with the Trade Unions and affected employees before any decision is made);

- whether any structural changes are proposed or underway;
 - whether any disciplinary, attendance management or capability procedures are underway in respect of the employee.
- 11.4 Only the pension you are contributing to will be paid. If you have any deferred LGPS pensions they will not be paid at the same time.
- 11.5 Further information on the Local Government Pension Scheme is available at: www.powyspensionfund.org
- 11.6 An employee who takes Flexible Retirement is not limited to the amount they can earn as a total of both their salary and pension.
- 11.7 If the employee is under age 75 and has a contract of employment of 3 months or more, they will automatically be opted back into the Local Government Pension Scheme. The member can opt out but they will be giving up 'death in service' cover and the possibility of accruing another small pension for when they fully retire.
- 11.8 An employee may apply to reduce their hours in the run up to retirement, without drawing any pension benefits, using the Flexible Working Policy.

12. RETIREMENT PROCESS

- 12.1 Once an employee has decided that they wish to retire, they should inform their line manager in writing of their intended retirement resignation date, in accordance with their contractual notice period.
- 12.2 The Council will write to the employee acknowledging receipt of the employee's notice of retirement resignation letter.
- 12.3 The line manager will meet with the employee within 10 working days of receipt of the employee's notice of retirement letter to discuss arrangements for leaving the Council, including the intended leaving date, succession and handover plans, pension details and flexible retirement, if applicable.
- 12.4 Once a leaving date has been agreed, the Council will write to the employee confirming their last date of employment, and the normal arrangements for leaving the Council will apply.
- 12.5 The line manager should complete the Trent Employee Leaver Form and ensure that copies of the employee's letter of notice is forwarded to both the Pensions team and the Employment Services/ Payroll team

13. FURTHER INFORMATION AND USEFUL DOCUMENTS

- 13.1 Please contact your Line Manager
Terms and Conditions of Employment

ACAS Guide: Working without the Default Retirement Age
For pensions-related queries, please contact the Pensions Team at 01597
826463

14. POLICY MONITORING

- 14.1 This policy will be monitored and reviewed by the Professional Lead for Human Resources and Development.



Flexible Retirement Application Form

Name:	Date you would like new arrangement to be effective from:
Directorate / Faculty:	Line Manager / Head of Service:
I would like to apply for a reduction in hours and/or reduction in salary/grade. I confirm the following (tick boxes as appropriate):	
I am in the LGPS and my age is 55 or over	<input type="checkbox"/>
I am already in receipt of a proportion of my pension (If yes, specify proportion)	<input type="checkbox"/>
I wish to receive a proportion of my pension (If yes, specify proportion)	<input type="checkbox"/>
I understand that I am requesting flexible retirement	<input type="checkbox"/>
Describe your current working hours and salary/grade below:	
Describe the working hours and salary/grade you are requesting below:	
Describe how you think the proposed changes will impact upon your department and colleagues:	
Describe how you think the effects of this on your department and colleagues might be dealt with:	
Applicant's Signature:	Date:

<u>I recommend that this application is approved*</u> <u>I recommend that this application is declined*</u> <u>(*delete as appropriate)</u>	<u>Signature of Line Manager:</u> <u>Date:</u>
Note: There may be increased costs related to agreeing to a flexible retirement	
<u>I confirm my approval of this application*</u> <u>I do not approve this application*</u> <u>(*delete as appropriate)</u>	<u>Signature of Head of Service</u> <u>Date:</u>

Completed and signed form to be sent to HR, Employment Services and Pensions.