

RETIREMENT POLICY

1 Introduction

Purpose

- 1.1 For most of us the decision to retire will be a positive one, made at a time of our choosing, as we move to new chapters of our life that we are looking forward to. There are, of course, other situations when people retire (including redundancy and ill-health) where the picture might be slightly different, and you may need greater support.
- 1.2 Whatever the reason for your retirement, we will address your situation sensitively, kindly and fairly. Our Policy sets out the processes we will follow, so that you can be clear on what will happen, why and when.

Who does the policy apply to?

- 1.3 This Policy applies to all employees of the council, except teachers and those employed in schools under the control of Governing Bodies.
- 1.4 For the purpose of the policy, employees are as defined in section 230 of the Employment Rights Act 1996 or any substituting or amending legislation.

Content

- 1.5 There are various forms of retirement by which you may leave and/or access accrued pension benefits. This policy addresses voluntary and other forms of early retirements. It also sets out the process for flexible retirement requests.

Local Government Pension Scheme (LGPS)

- 1.6 Under the LGPS Regulations in certain circumstances, you may be able to retire early, that is to leave the council's employment and gain access to your pension benefits (which may or may not be reduced).
- 1.7 Except for voluntary retirements, the decision to agree early retirements is entirely at the discretion of the Council. There is no right of appeal should your request not be granted.

Pensions

- 1.8 If you are considering voluntary retirement, you should seek advice directly from the pension administrator on your pension payments and benefits, before you make your decision.
- 1.9 Where a request for early retirement is subject to approval, pension estimates will be sought by the [People Business Partnering Services Team](#) in HR&OD.
- 1.10 Once a leaving date is confirmed and you have been set up as a leaver on the HR system, we will notify the pension administrator of any member of the LGPS who is retiring from our employment.
- 1.11 If you are a LGPS member, the pension administrator will then contact you with your pension options. You will be asked to complete a pensions options form.
- 1.12 Requests from employees for discretionary pension payments, as set out in the [Pensions Discretions Policy](#), will be delegated to the Compensation Panel. In some cases, decisions may be considered by the Director of HR&OD.
- 1.13 All LGPS pensions must be paid to you by your 75th birthday.

Late Retirements

- 1.14 If you choose to continue working beyond your normal retirement date you can continue to contribute to the pension scheme. As you are retiring late, your benefits will be increased to reflect their 'late' payment.
- 1.15 Your pension must be paid to you by your 75th birthday and you cannot contribute to the scheme after this date, although this does not mean you have to stop working should you wish to do so.

Pay

- 1.16 When retiring, your final salary will be paid on the last working day of the month in which you left employment. This may be different from your last day of service.

2 Voluntary Retirement

Definition

- 2.1 The council does not have a normal retirement age. Voluntary retirement is when you choose to leave and are able to draw your pension benefits, without the need for agreement by the Council.

Eligibility

- 2.2 The LGPS Regulations does have a normal retirement age, which is the scheme member's state pension age. If you are a scheme member, you are able to draw your pension, unreduced, from that age.

- 2.3 From the age of 55, scheme members are able to voluntary retire and draw a reduced pension.

Process

- 2.4 You will need to send your line manager a written letter of resignation giving your contractual notice period, setting out that you intend to retire. Your manager will then need to complete the online leaver form. It is important that you make clear that the reason for leaving is retirement.
- 2.5 Voluntary retirement does not normally require approval, however any request for pension discretionary payments will be addressed under section 6, of this policy.
- 2.6 In respect of pension arrangements, you are referred to paragraphs 1.8-1.13 above.

3 Early Retirement on grounds of redundancy

Definition

- 3.1 A redundancy arises where:
- the employer has ceased, or intends to cease, to carry on the business for the purposes of which the employee was so employed; or
 - the employer has ceased, or intends to cease, to carry on the business in the place where the employee was so employed; or
 - the requirements of the business for employees to carry out work of a particular kind has ceased or diminished or are expected to cease or diminish; or
 - the requirements of the business for the employees to carry out work of a particular kind, in the place where they were so employed, has ceased or diminished or are expected to cease or diminish.

Process

- 3.2 If you are to be made redundant, you will have been notified formally in accordance with the procedure set out in the Redundancy Policy. Should you have questions or need advice about the process contact your [People Business Partnering Services Team](#).

Eligibility

- 3.3 The LGPS Regulations stipulate that for an early retirement on grounds of redundancy the following criteria must be satisfied. You must:

- have at least 2 years' reckonable service in the LGPS, or have transferred rights from another scheme
- be dismissed on grounds of redundancy
- be aged 55 or over

Pension

- 3.4 If you satisfy the eligibility criteria and are being made redundant your pension will be paid unreduced. This means that you will receive your accrued pension benefits at the last day of service. Your People Business Partnering Team will acquire pensions estimate on your behalf.

Approval

- 3.5 Requests from employees for discretionary pension payments, as set out in the [Pensions Discretions Policy](#), will be delegated to the Compensation Panel, however in some cases where there is no cost to the council such decisions will be considered by the Director of HR&OD.
- 3.6 Should the Compensation Panel need to be convened, People Business Partnering Services will make the necessary arrangements and advise accordingly.

Notice

- 3.7 You will receive written notice that your contract is being terminated on grounds of redundancy. The amount of notice you receive is governed by statute and by contract. If your contract of employment provides for longer notice than the statutory minimum, then the contractual provision will apply.

Pay

- 3.8 If you have two years' continuous local government service at the date of termination and are being dismissed by reason of redundancy you will qualify for statutory redundancy pay.
- 3.9 Any redundancy compensation will be considered and calculated in accordance with the Council's Severance Scheme.
- 3.10 If you have been issued with notice of dismissal for redundancy and accept a job with an employer listed on the 'Modification Order'¹ this may affect your entitlement to redundancy pay. In these circumstances you should contact HR for advice.

¹ The Redundancy Payments (Continuity of Employment in Local Government, etc. (Modification) Order 1999 (the Modification Order). This Order is updated periodically, and employees should check with HR to confirm the most recent edition.

4 Early Retirement on grounds of permanent ill health

- 4.1 This section addresses requests for permanent ill-health retirement with early access to accrued pension benefits.
- 4.2 Deferred status applications from former employees for early access to their pension on grounds of permanent ill-health will also be handled through this process.

Eligibility

- 4.3 The LGPS Regulations provide that for an early retirement on grounds of ill-health the following criteria must be satisfied. You must:
- have at least two years' pensionable service in the LGPS, or have transferred rights from another scheme; and
 - be certified, by the council as being permanently incapable of performing the duties of your post on grounds of ill health or infirmity of mind or body and as a result of ill-health or infirmity of mind or body, are not immediately capable of undertaking any gainful employment under Tier 1, 2 or 3 as set out in paragraph 4.15.

Determination

- 4.4 ill-health retirements will not be considered without first exploring a range of options to support your return to work, including possible redeployment.
- 4.5 Decision on entitlements to early payment of retirement pension on grounds of ill-health or infirmity of mind or body will only be made by the council after a certificate has been obtained from an Independent Registered Medical Practitioner (IRMP).
- 4.6 The IRMP certificate will set out:
- whether you satisfy the conditions in regulation 35(3) and (4) of the LGPS Regulations 2013
 - how long you are unlikely to be capable of undertaking gainful employment; and
 - if working reduced hours and receiving reduced pay as a result, whether this is either wholly or partly as a result of the ill-health or infirmity of mind or body.
- 4.7 Where there is an entitlement to early payment of retirement pension, the council will also determine the appropriate tier of benefits.

Consideration by Occupational Health Provider

- 4.8 The Occupational Health Provider (OHP) will review existing medical evidence to assess whether there appears to be a case for ill health retirement. If additional medical information is required, you will be asked to attend an appointment to see the OHP and/or your GP/Consultant may be asked to provide a report.
- 4.9 If there is medical evidence to support the case for ill health retirement, it will be referred to an IRMP who has had no prior involvement in the case.

Role of the Independent Registered Medical Practitioner

- 4.10 The IRMP will review the medical evidence and may request further reports from your GP/Consultant.
- 4.11 Where the IRMP determines you are permanently incapable of performing the duties of your post on grounds of ill health or infirmity of mind or body, they will also indicate the likelihood of you being capable of employment in the future. This will determine the IRMP's recommendation over which Tier is satisfied, in relation to the ill-health retirement benefits (see paragraph 4.15).

ill-Health Retirement Panel

- 4.12 Once the IRMP recommendations are received, you will be informed that an ill-Health Retirement Panel is being convened, where the case will be reviewed, and the outcome could be that your employment will be terminated on ill-health grounds.
- 4.13 The panel will comprise Director of HR&OD and/or their representative, and the Service Director. The Strategic Pensions Manager will attend in an advisory capacity.
- 4.14 The panel will review the ill-health retirement referral, factoring in the recommendation of the IRMP, and decide whether you are permanently incapable of performing the duties of your post. If necessary, the panel will also decide on the IRMP's recommendation on the level of ill-health retirement benefits (see below).

ill Health Retirement benefits

- 4.15 Where the panel has determined that due to ill-health you are permanently incapable of performing your duties and not immediately capable of undertaking any gainful employment, the panel will also establish which Tier of benefits you should be retired on:

Tier 1	Applies where the employee is not capable of undertaking any gainful employment ² before their normal retirement date. Their benefits will be based on their accrued rights plus an enhancement on their prospective service up to their normal retirement date.
Tier 2	Applies where the employee is not capable of undertaking any gainful employment within three years of leaving employment but is likely to be able to undertake gainful employment before normal pension age. Their benefits will be based on their accrued rights plus an increase of 25% of their prospective service up to their normal retirement date.
Tier 3	Applies where the employee is not immediately capable of undertaking any gainful employment but is deemed capable of obtaining gainful employment within 3 years of leaving employment or before normal pension age if earlier. They will be entitled to immediate payment of benefits without an enhancement. This outcome is subject to an Occupational Health review after 18 months. Payments are payable either: <ul style="list-style-type: none"> • Until the employee returns to gainful employment (within 3 years of date of termination) • Until the employee is considered capable of obtaining gainful employment at the 18-month review • For three years • The benefits are enhanced to Tier 2 further to a review by the Council

Notification

- 4.16 If you are deemed permanently incapable of performing the duties of your post and are not immediately capable of undertaking any gainful employment, you will be notified in writing.
- 4.17 Ideally, the outcome will be presented to you in a meeting with your line manager and a People Business Partner. This meeting could take place either at the workplace or, if necessary, at your home. You will have a right to be accompanied by a trade union representative or a work colleague at this meeting.
- 4.18 The letter will:
- (a) set out the decision to end your employment on grounds of ill health and will give the notice due under your contract of employment or the minimum statutory entitlement, whichever is the greater.
 - (b) provide an estimate of pension benefits, which HR will have obtained from the pensions administrator, in advance of the meeting.

² Gainful employment means paid employment for not less than 30 hours a week in each week for a period of not less than 12 months.

(c) indicate your right of appeal against the decision to terminate your contract of employment.

4.19 Where the panel determines that permanent ill-health is not applicable in the circumstances, written notification of the decision will be provided. There is no further right of appeal within the council, although you may make an application to the LGPS Internal Disputes Resolution Procedure, see 4.27.

Appeal against dismissal

4.20 Appeals must be lodged within 10 working days of the receipt of the notification and made in writing to the Director of Human Resources & OD.

4.21 Your letter of appeal, must be accompanied by a letter from a qualified medical practitioner, disputing the Council's decision and set out the grounds of the appeal.

4.22 The question of your ability to perform the duties of your post and to undertake gainful employment shall be referred to a Medical Referee nominated by the council's OHP.

4.23 The appeal panel will be set up in accordance with the [Employment Dismissal Appeal Policy](#). In most circumstances the Director of HR & OD will consider the appeal, taking into account the opinion of the medical referee and determine whether or not the original decision to dismiss the employee on grounds of ill health was appropriate.

4.24 Where the appeal is rejected, you will be informed in writing and the dismissal decision will apply as previously notified.

4.25 If your appeal is upheld, the notice of dismissal will be withdrawn, and consideration given to action which may be necessary to support you in your continued employment.

4.26 There is no further right of appeal within the council.

Local Government's Pension's Scheme Internal Disputes Resolution Procedure

4.27 If you are dissatisfied with the decision of ill Health Retirement Panel, you can make an application through the [Local Government Pension Scheme's \(LGPS\) Internal Disputes Resolution Procedure](#), which is handled by the Council's Pensions Administrators.

Approval

4.29 Requests for discretionary pension payments will normally be delegated to the Compensation Panel, however in some cases where there is no cost to the Council such decisions will be considered by the Director of HR&OD.

5 Early Retirement on grounds of Efficiency

Eligibility

- 5.1 In certain circumstances the LGPS Regulations allow for an employee to retire early where there are clear, and quantifiable gains for the service.
- 5.2 To be retired on grounds of efficiency of the service, the following criteria must be satisfied.
- a. You must:
- have at least 2 years' reckonable service in the LGPS
 - be dismissed on grounds of efficiency of the service (the council must certify that 'the employee has ceased to hold local government employment in the interests of the efficient exercise of their functions')
 - be aged 55 or over
- b. The council must be able to:
- demonstrate clear, quantified efficiency gains that outweigh the cost to the council of the employee's early retirement
 - find the full costs associated with early payment of pension or any other compensation costs.

Process

- 5.3 Early retirement on grounds of efficiency is a management driven process and not something that you can choose. If your manager is considering ending your contract by reason of efficiency of the service, they must contact their People Business Partner in the first instance.
- 5.4 If a decision is made to consider early retirement on efficiency grounds, then your People Business Partner will obtain pension estimates for you.
- 5.5 Once a leaving date is known and the leaving form submitted, the HR Business Support Services will confirm these details with the Pension Administrator. In turn the Pension Administrator will contact you directly to discuss your pension options.

Approval

- 5.6 In any case where the ending of a contract on the grounds of efficiency is being recommended, approval must be sought via the Compensation Panel. Where there is no cost to the Council, in some cases this decision is delegated to the Director of HR&OD.

6 Request for Early Retirement

Eligibility

- 6.1 To be eligible to submit an early retirement request for consideration by the council you must be aged 55 or over and:
- have at least 2 years' membership of the LGPS; or
 - have bought in a transfer from another pension scheme; or
 - already have a [deferred benefit](#) in the LGPS scheme in England or Wales

Process

- 6.2 All requests must be made in writing, initially to your manager, setting out the date you would wish to leave and your reasons for the seeking early retirement. You should note that early retirement will, in many cases, lead to a reduction in the benefits payable.
- 6.3 Information on the level of pension benefit that would be payable is available from the council's pension administrator. You are strongly advised to contact them directly for fuller details on your pension payments. In submitting your request, and if approved, you are agreeing to the ending of your employment contract.
- 6.4 On receipt of your request, your manager will be asked to present a business case regarding your application.
- 6.5 This will be considered by the Head of Service and the People Business Partner, who will make a recommendation to either support or not support the application, setting out their reasons. You may, if you wish, ask to attend this meeting.
- 6.6 In deciding whether to grant the request, the needs of the service and all associated costs will be paramount.

Approval

- 6.7 Decisions would normally be referred to the Compensation Panel. If however there is no discretionary element and no cost to council in some cases such decisions will be considered by the Director of HR&OD.
- 6.8 Should you request not be granted; you do not have a right of appeal against this decision.

7 Flexible Retirement

- 7.1 With the Council's consent, you may opt to take flexible retirement. This allows eligible employees to continue working with the council, earning a reduced salary as a result of a reduction in working hours and/or grade, while

also receiving any pension benefits which they may have been accrued at that point.

- 7.2 Flexible retirement requests will only be agreed where there is a clear benefit for the council and requests will be implemented in conjunction with the requirements of the council's [Pension Discretions Policy](#).

Eligibility

- 7.3 To be eligible you must:

- be aged 55 or over
- have 2 years' membership or more of the LGPS, or have transferred pension rights to that amount
- reduce your salary by at least 40% through a reduction in hours and/or grade. In exceptional circumstances a lesser reduction may be considered, though there must be a robust business case to justify the decision.
- be working in your substantive post

Process

- 7.3 If you are considering flexible retirement, you should have an initial discussion with your line manager to see if it is a viable option. If it is a possibility, then your manager will ask your People Business Partner to obtain an estimate of your pension benefits.
- 7.4 If you wish to proceed then a formal request must be made in writing to your manager setting out details of the request. This should include the proposed plans for reduction in hours (or if appropriate grade), the pattern of work being sought and when you would wish for flexible retirement to begin.
- 7.5 Your manager must prepare a business case, covering impact on team, service, retention of valued skills/knowledge, development of succession planning, cost implications and how the proposed reduction in hours will be addressed.
- 7.6 The Head of Service, in conjunction with the People Business Partner, will consider the request and the business case and make their recommendation. You may, if you wish, ask to attend this meeting.
- 7.7 If the request is not supported, you will be notified in writing.

Approval

- 7.8 Where the request is supported, the case will be reviewed and approved by the Compensation Panel. If however, there are no direct or indirect financial implications from your application the decision is delegated to the Director of HR&OD.

- 7.9 If necessary, HR will convene a Compensation Panel. The decision of the panel or the Director of the HR&OD is final and there is no right of appeal.
- 7.10 If your request is declined you may reapply for flexible retirement after a period of 12 months from the date that your application was declined.
- 7.11 Employees may complain about any aspects of their benefit entitlements under the LGPS Internal Disputes Resolution Procedure. This will focus on the procedure that has been followed, not the fairness of the decision taken by the council.

Contractual Status

- 7.12 If your application for flexible retirement is approved, you will be issued with a revised contractual letter, setting out the new terms and conditions of employment. The change will be permanent, and you will not normally be able to revert to your previous working arrangement.