



FLINTSHIRE COUNTY COUNCIL

Flexible Retirement Policy

Policy owner for review	Chief Officer - People and Resources
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Date last reviewed	October 2007
Date of last amendment	June 2014
Version	
Date of next review	



1. Introduction

Flintshire County Council recognises the need to retain the skills and knowledge of experienced employees for the benefit of the organisation and society as a whole. We are therefore committed to working with employees to facilitate a flexible retirement arrangement which will meet the needs of both the individual and the organisation.

The Council aim to provide a flexible approach to retirement, ensuring the skills and knowledge of all of our employees are recognised and valued whilst also meeting our service delivery needs.

2. Aim

The aim of this policy is to:

- State the options available to employees who are aged 55 and over
- Encourage skilled and experienced employees to continue to work
- Ensure fair and equal treatment of all employees
- Comply with the Employment Equality (Age) Regulation 2006

3. Scope

This policy applies to all employees of Flintshire County Council who are members of the Local Government Pension Scheme and are over the age of 55.

4. Definition

Flexible Retirement is where an employee aged 55 or over has the right to request to change the nature and intensity of their work and receive accrued pension benefits whilst continuing in employment and building up further benefits in the scheme.

Flexible Retirement allows employees to continue to work, but take a reduction in salary, for example by working reduced hours, in exchange for payment of a portion of their pension. This combination of work and pension can offer an attractive way of tapering towards an eventual full retirement.

Flexible Retirement provides a way for employers to retain valuable expertise and gives employees the opportunity to reduce the intensity of their work.

Examples of such a change may be:

- Reduction in hours
- Changes in duty resulting in a change of grade

5. Policy Details

A legal right only exists for an employee to request Flexible Retirement. The Council must consider if the request is practicable. There is no obligation on the Council to grant the request.

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 Flintshire County Council for 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 12 months after implementation date.
- State their planned retirement date

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 (the outcome should be cost neutral within the current financial year as a guide);
- 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.

In exceptional circumstances where the employee has health/absence problems and it is confirmed from Occupational Health that a reduction in hours/grade would alleviate the absence, the panel may consider this as long as there is a tangible efficiency and cost savings.

A retirement panel will consider the business case for the request in line with the criteria set out above. The panel will consist of the Chief Officer for the relevant portfolio area, the Chief Officer for People and Resources and the S151/ Chief Finance Officer.

The panel will normally meet on a quarterly basis to consider requests unless there are exceptional circumstances that necessitate a 'special' panel to meet. All requests should have a future date of Flexible Retirement of at least 3 months in advance.

Succession planning will play a vital role within any flexible retirement and planned retirement date. It is important that flexible retirement is used as way of tapering towards an eventual full retirement. Flexible Retirements will normally be agreed for a fixed period of time (for example 2 years, although durations may vary) and will end on the employee's stated retirement date. In exceptional circumstances, employees may request that the Flexible Retirement be extended for a further specified period of time beyond this date. The Council will give such requests due consideration bearing in mind all relevant circumstances.

All agreed Flexible Retirements will be reviewed annually by the retirement panel. The purpose of the annual review will be to ensure:-

- that succession planning is taking place;
- that the Flexible Retirement still meets the requirements of the policy;
- any pending structural implications are identified and managed;
- the costs and savings arising from allowing the request have been realised
- that the efficiencies have been released to the corporate centre

- that plans for full retirement are on track and remain workable.

The Council will only consider applications where there is no service requirement to backfill reduced hours and where identified savings will be released to the corporate centre.

Entitlement

Employees who are accepted for Flexible Retirement will be entitled to their accrued pension and lump sum. This would normally be subject to an actuarial reduction; however for LGPS members who were contributing prior to 30th September 2006 and who were born on or before 31st March 1956, their pension will not be reduced if they meet the 85 year rule.

Any employee not meeting the rule of 85 or born on or after 1st April 1956 can receive pension benefits on the grounds of Flexible Retirement but the benefits will be reduced to reflect early payment. This reduction will not be waived.

Employees will be able to take up to 25% of the value of their pension pot in the form of a tax free lump sum. This can be achieved by exchanging part of the annual pension to increase the lump sum or using some or all of an in house Additional Voluntary Contribution fund (AVC) to top up the basic lump sum to the 25% maximum.

Further information on the Local Government pension scheme is available at: www.clwydpensionfund.org.uk.

An employee who takes Flexible Retirement is not limited to the amount they can earn as a total of both their salary and pension.

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.

An employee may apply to reduce their hours in the run up to retirement, without drawing any pension benefits, using the Flexible Working Policy. Further information can be found on the Infonet –People and Resources - Human Resources.

Monitoring and Review

This procedure will be reviewed annually by the HR Policy & Reward Officer and amended in light of emerging employment legislation/best practice and/or changes in pensions regulations.

Procedure

There is no legal obligation for the Council to grant a request, but the Council must consider all applications.

All applications must be approved by the Service Manager in the first instance and then by the Chief Officer for the relevant portfolio, the Chief Officer for People & Resources and the S151 / Chief Finance Officer.

Applications will be considered on a case by case basis, taking into account the needs of and cost to the Council. The Service Manager must ensure the employee is

kept informed of each stage of the process.

The process is as follows:

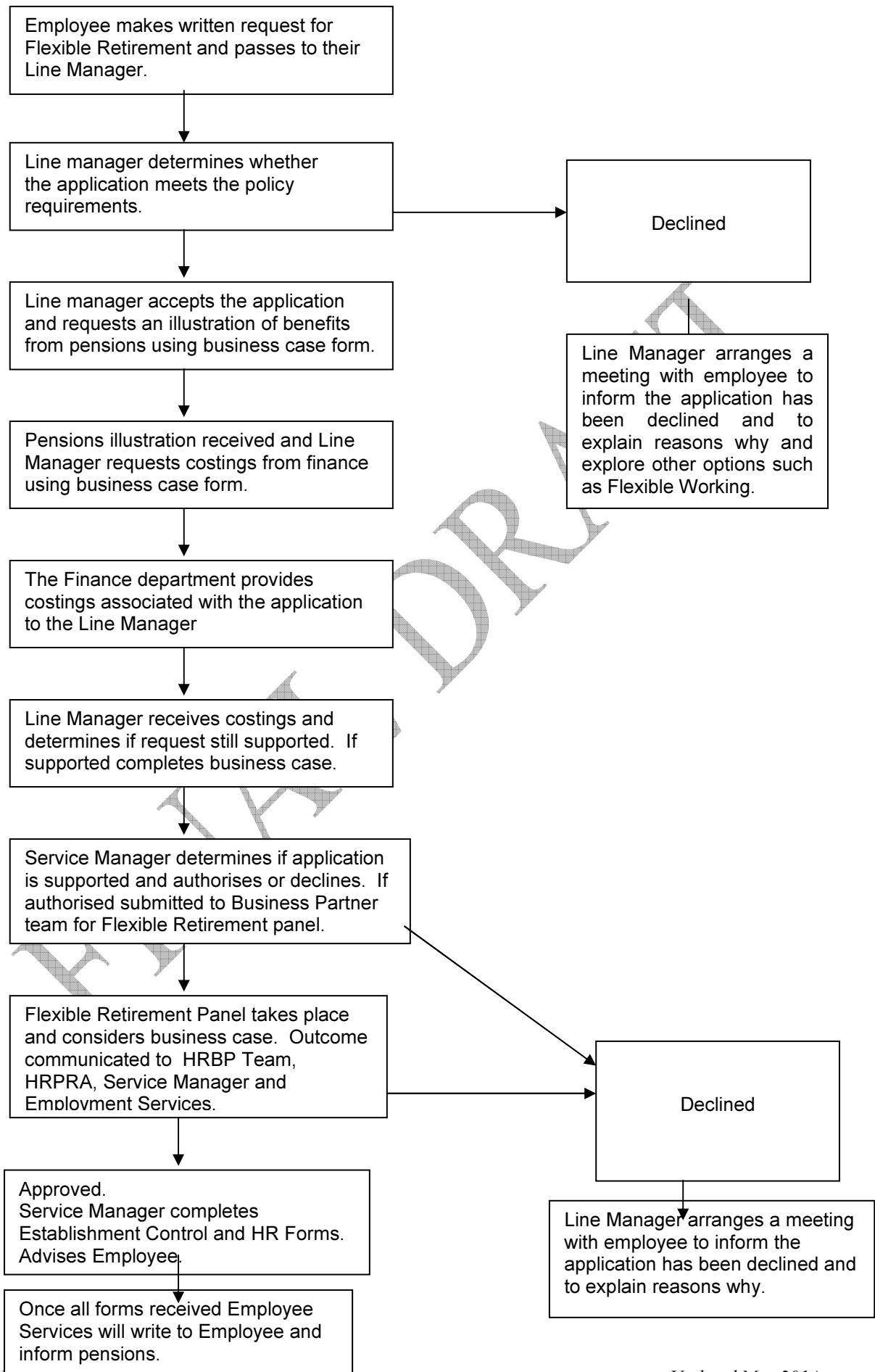
1. Employees who wish to explore Flexible Retirement must make a written expression of interest to their Line Manager, setting out the desired nature of the change in hours or duties.
2. Upon receipt of the Flexible Retirement request, the manager will acknowledge the request in writing and determine whether the application meets the policy requirements, i.e. whether there is at least 20% reduction in hours / salary and that there would be no service requirement to backfill the hours.
3. If the request does not meet the policy requirements then the manager will meet with the employee to discuss the reasons and to explore alternative options, such as Flexible Working. The manager will confirm in writing the reasons for not approving application (See Appendix)
4. If the application does meet the policy requirements then the Service Manager will request an illustration of benefits and associated costs from the Clwyd Pension Fund using the Flexible Retirement Business Case form (See Appendix).
5. Once the Pension Benefits have been received, the Manager will request costings from the Finance Department. The Pension Benefits will be sent to the Finance Department along with the Business Case form.
6. The Manager will then write to the employee outlining the Pension benefits that would be received if the application were to be approved.(See Appendix)
7. Once all costings have been received, the manager will complete the business case form and if the request is still supported will send to the Service Manager for authorisation.
8. The manager will confirm to the employee if following all costings being received if they have submitted the business case for approval to the Service Manager.
9. If the Service Manager approves the business case this will then be sent to the Business Partner team. The Business Partner will submit the business case form to the next Flexible Retirement Panel for approval.
10. The Retirement Panel will consist of the relevant portfolio Chief Officer, Chief Officer People and Resources and the S151 / Chief Finance Officer. The panel will notify the Business Partner team and HR Policy & Reward Adviser of the outcomes. The Business Partner team will advise the Service Manager and Employment Services.
11. If the application is approved, the manager will need to complete a Change to Terms and Conditions form via the HR Forms Database detailing the change to hours/salary and the effective date.
12. The Employee Service Centre will write to the employee to confirm the agreement, including the effective date. Pensions will then be informed in order to release the pension.
13. If the application is declined, a discussion should take place between the employee and the service manager to discuss reasons for the decision and to

explore alternative options, such as Flexible Working.

14. In circumstances where a Service Manager makes the request, the portfolio Chief Officer will need to consider the request and determine whether it meets the requirements of the policy and if they support the business case. In these circumstances an alternative Chief Officer or the Chief Executive will be involved in the retirement panel to ensure a transparent process. Apart from this variation, the above process will apply.
15. If a Chief Officer makes a request, the Chief Executive will need to consider the request and determine whether the request meets requirements of the policy and if they support the business case. The business case will be considered by the Retirement Panel following consultation with the relevant Cabinet Member. Apart from this variation, the above process will apply.

FINAL DRAFT

PROCEDURAL FLOWCHART



FINAL DRAFT