



District of **easington.**

Flexible Retirement Procedure

Personnel Services

November 2007



1. Outline of Procedure

1.1 What does flexible retirement mean?

District of Easington is committed to adopting a more flexible approach to retirement and recognises the benefits it can have for both employees and the organisation as a whole. With effect from 6 April 2006 The Local Government Pension Scheme (LGPS) introduced a provision allowing employees aged 50 or over to apply for flexible retirement to help ease them into retirement. This procedure outlines the Council's flexible retirement options and processes.

1.2 Who does the procedure apply to?

This procedure covers all employees who are in the Local Government Pension Scheme (LGPS).

1.3 Eligibility

Employees must have at least three months' total membership of the LGPS (or have brought a transfer value into the LGPS) and be aged over 50 years. Employees are reminded that the Council's normal retirement age is 65.

1.4 Cases in which flexible retirement will be approved

The Council will only approve applications for flexible retirement where there is a clear business reason for doing so and taking into account any financial implications.

1.5 Confidentiality

All information will be handled sensitively and used only for its proper purpose. Under the Data Protection Act 1998 individuals have the right to see their own personal data held subject to the rights of confidentiality of any third parties involved in that information.

1.6 Publicising/distribution of this procedure

A copy of this procedure is available from the Personnel Services Unit on request. A copy can also be viewed via the Intranet Policies and Procedures site.

1.7 Reviewing the procedure

We will keep the operation of this procedure under review and will make such changes as deemed appropriate following necessary consultation with the trade unions.

1.8 Equality Impact Assessment

An equality impact assessment has been carried out in the preparation of this procedure and the assessment will be reviewed on an ongoing basis.

1.9 Forms

Forms relating to this procedure are downloadable from the Intranet Policies and Procedures site. Sample forms included at the back of this document are for information purposes only.

If you would like any further advice on this document you can contact the Personnel Services Unit on 0191 5274344 or (Internal - Ext. 4344/4360/4345).



2. Procedure

2.1 Flexible retirement background

Regulation 35 of the Local Government Pension Scheme (LPGS) allows scheme members who are aged 50 or over who reduce their hours or grade with their employer's consent to elect that their pension benefits be paid to them whilst they remain in employment provided they have their employer's consent for these benefits to be paid.

The Council will consider applications made under regulation 35(1A) 'flexible retirement' on an individual basis. Decisions will be made on the merits of each case, considered in the following context:

- a) The proposed reduction in hours or grade required to facilitate flexible retirement must be compatible with the requirements of the Council. The required reduction in hours or grade will only be allowed provided it does not adversely affect the service in which the employee is employed.
- b) The Council will not allow a flexible retirement request which causes a cost to the Council except in exceptional circumstances. The Council will not pay additional sums into the Fund to allow anyone retiring in this way to have unreduced benefits except in exceptional circumstances. Exceptional circumstances for the purposes of this paragraph are for example:
 - i. where the Head of Financial Management and the Head of Personnel and Payroll deem it to be in the interests of the authority to pay the cost and there are sound financial reasons for doing so
or
 - ii. on the grounds of compassion where in the opinion of the Head of Financial Management and the Head of Personnel and Payroll, the special factors surrounding the application, along with the appropriate supporting evidence provided, justify such a recommendation to the Executive Committee. Any such recommendation should also take into account the Council's ability to meet the cost of granting such a request.

2.2 Flexible retirement options

There are two options available for employees wishing to apply for flexible retirement.

2.2.1 Option 1 - Appropriate and manageable reduction in working hours

Any eligible employee can opt to request an appropriate and manageable reduction in their normal working hours.

2.2.2 Option 2 - Reduction in grade/reduced responsibilities

Any eligible employee can opt to request a reduction in grade if possible or apply for a lower graded post under the Council's Recruitment and Selection policy.

2.3 How will the Council make a decision regarding flexible retirement?

Flexible retirement can have advantages for the individual and for the Council. The individual is able to avoid a sudden switch from full time working to retirement and can instead move into retirement more gradually. The Council can benefit from being able to retain the skills of



experienced employees for longer and this will allow better succession planning and valuable additional options for those employees aged over 50 years.

It is important that a positive effort is made to come to a workable solution when any request for flexible retirement is made. However, when considering a request for flexible retirement the business needs of the Council are paramount and all financial implications will need to be explored before an agreement is given.

When considering flexible retirement requests the Council will consider the following:

- Burden of additional costs to the Council
- Detrimental effect on any ability to meet customer demand
- Inability to reorganise work amongst existing employees
- Inability to recruit additional staff
- Detrimental impact on quality
- Detrimental impact on performance
- Insufficiency of work during the periods the employee proposes to work
- Planned structural change

Any explanation to employees would require more than just providing a reason from the above list. Specific details must be included, outlining the business reasons.

2.4 How to apply for flexible retirement?

2.4.1 To apply for an appropriate and manageable reduction in working hours

To apply under flexible retirement for an appropriate and manageable reduction in working hours an employee must complete the relevant request form in full and return the completed form to their manager.

Making a request does not give employees an automatic right to flexible retirement, as there will always be circumstances where the Council is unable to accommodate requests. However the Council will consider requests seriously and will only refuse where there is a clear business reason for doing so.

Any requests for a reduction in working hours will be regarded as a permanent change to contract and there will be no right to revert back to the former arrangements unless otherwise agreed by the manager in consultation with the Personnel Services Unit.

2.4.2 To apply for a possible reduction in grade

To apply under flexible retirement for a possible reduction to grade or move to a lower graded post an employee must complete the relevant request form in full and return the completed form to their manager.

For a reduction in grade to be feasible it would need to meet with the business needs of the service and there will need to be a change to the job description to reflect any reduced responsibilities in grade. It is likely that a reduction in existing grade would only be an option where the service has a current lower graded vacancy, or is currently undertaking a restructure, or where the employee's own service area is reducing. Alternatively, if this cannot be accommodated within the employee's own service area through reduction or removing of duties, the employee will need to apply for lower graded posts under the Council's Recruitment and Selection procedures in fair and open competition with other applicants.



To assist in the process of applying for lower graded jobs, employees are encouraged to read the 'jobs' page on the Council's intranet.

Any requests for a reduction in grade will be regarded as a permanent change to contract and there will be no right to revert back to the former arrangements unless otherwise agreed.

Making a request does not give employees an automatic right to flexible retirement, as there will always be circumstances where the Council is unable to accommodate requests. However the Council will consider requests seriously and will only refuse where there is a clear business reason for doing so.

2.5 How will the manager deal with any requests?

2.5.1 Process if proposed request can be agreed

After receiving the completed request form, if the manager agrees with the proposed changes and can accommodate them within their service area they should advise the employee of the agreed change together with the effective date of the change. This should normally be finalised within 28 calendar days of receipt of the initial flexible retirement request.

2.5.2 Process if manager unable to agree initial request

After receiving the completed request form, the manager should aim to meet with the employee to discuss the request within 28 calendar days. This provides an opportunity to discuss the request in more detail and consider how it might best be accommodated. It also provides an opportunity to consider alternative reductions in working hours should there be problems in accommodating the initial request or discuss how work could be reallocated. Ultimately, as there is no guarantee, the request could be declined for business reasons.

2.5.3 Involvement of the Personnel Services Unit

The manager must discuss all requests with a representative from the Personnel Services Unit prior to the final decision being given to the individual to ensure fair and equitable application of this procedure.

2.6 Representation

Employees will have the right to be accompanied at any meetings by a trade union representative or work colleague.

2.7 Timescales

Where employees are applying for a job at a lower grade, the Council cannot give timescales as it will depend on the availability of suitable jobs and the recruitment and selection programme.

Sometimes it can be difficult to place a timescale on changes to working hours therefore it is recommended that employees ensure they make their requests well in advance of when they would like to implement any changes.

Employees can only make a request for flexible retirement once in any 12-month period.

2.8 Effective date of implementation of flexible retirement provisions

Whilst the provision has been available in the LGPS since April 2006 it has not been utilised. However there is now interest in this provision and so it is appropriate to have a procedural document. The effective date of this procedural document will be 1st December 2007. Therefore



there will be no consideration of retrospective requests from employees who have reduced their hours or grade prior to this date.

- Any requests for reduction in hours or grade must be done at the same time as requesting any access to pension benefits.
- Employees will not be able to request a reduction in grade or hours at one point then make a later request to access pension benefits.

2.9 Withdrawal of request for flexible working

If an employee wishes to withdraw a request for flexible retirement at any stage of the process, they must do so in writing to their manager. Once an employee has withdrawn their request for flexible retirement they will not be able to make another request until 12 months from the date their original request was made.

2.10 Appeals

The employee has 14 calendar days from receiving notification of any rejection to set out their grounds for an appeal in writing. If the manager then chooses to accept the request, they should follow the guidance as outlined previously within 14 calendar days from receipt of appeal and should advise the employee accordingly.

If still not accepting the request, the manager must set up an appeal hearing within 14 calendar days of receiving the employee's notice. The meetings should be at a time and place convenient to all those involved. The relevant Director or another appropriately nominated senior officer should hear the appeal - it must be someone who was not involved in the original decision.

The employee should be advised within 14 calendar days of the decision from the appeal. If the request for change is accepted, the guidance outlined previously should be followed. If it is refused, details of the grounds for rejection must be set out, including an explanation of why they apply. **This is the last stage in the decision making process and any decision is final.**

2.11 Pension implications

This section is only intended to provide guidance. Employees are strongly advised to seek independent financial advice. In addition employees can contact the Pensions Group on 0191 3833569/4506 for general advice in relation to pensions. Employees are reminded that the Pensions Group cannot provide independent financial advice and it is very important that independent financial advice is sought regarding flexible retirement.

2.11.1 Benefit reductions

Employees who meet the 'rule of 85' will not have their benefits reduced for early payment if they are allowed to take flexible retirement. However, if you are under age 60 and meet the 'rule of 85' this means the Council will have to pay extra into the pension fund to provide these unreduced benefits if you are allowed to take flexible retirement.

Employees who do not meet the 'rule of 85' should be aware that reductions will be applied to their benefits if they take flexible retirement before the age of 65.

2.11.2 Cost implications

Any costs resulting from employees being allowed to take flexible retirement will be an important factor in determining whether there is a business case to allow flexible retirement.



2.11.3 Estimates of pension benefits

It is important that estimates of benefits are obtained before a request for flexible retirement is made. Employees should also consider taking independent financial advice before taking flexible retirement – a list of independent financial advisers can be obtained from:
<http://www.unbiased.co.uk>

2.11.4 Continued LGPS membership

Individuals who take flexible retirement and continue working for the Council will continue contributing to the LGPS unless they choose to opt out of the Scheme. Provided they do not opt-out they will build up another period of membership. Anyone who is granted flexible retirement on the basis of reduced pay should be aware that if they accrue additional membership after release of their pension, any subsequent pension entitlement would be based on final pay in the last twelve months of service and not on the pay used in calculating flexible retirement benefits. Anyone who has reduced their hours should be aware that going forwards they will earn membership in the Scheme on a reduced basis, proportionate to the number of hours they work. Also, working part-time prior to normal retirement age could reduce the amount of additional service they could be awarded if they retire on ill-health grounds, as well as reducing the potential death in service lump sum payable.

2.11.5 Break in Service

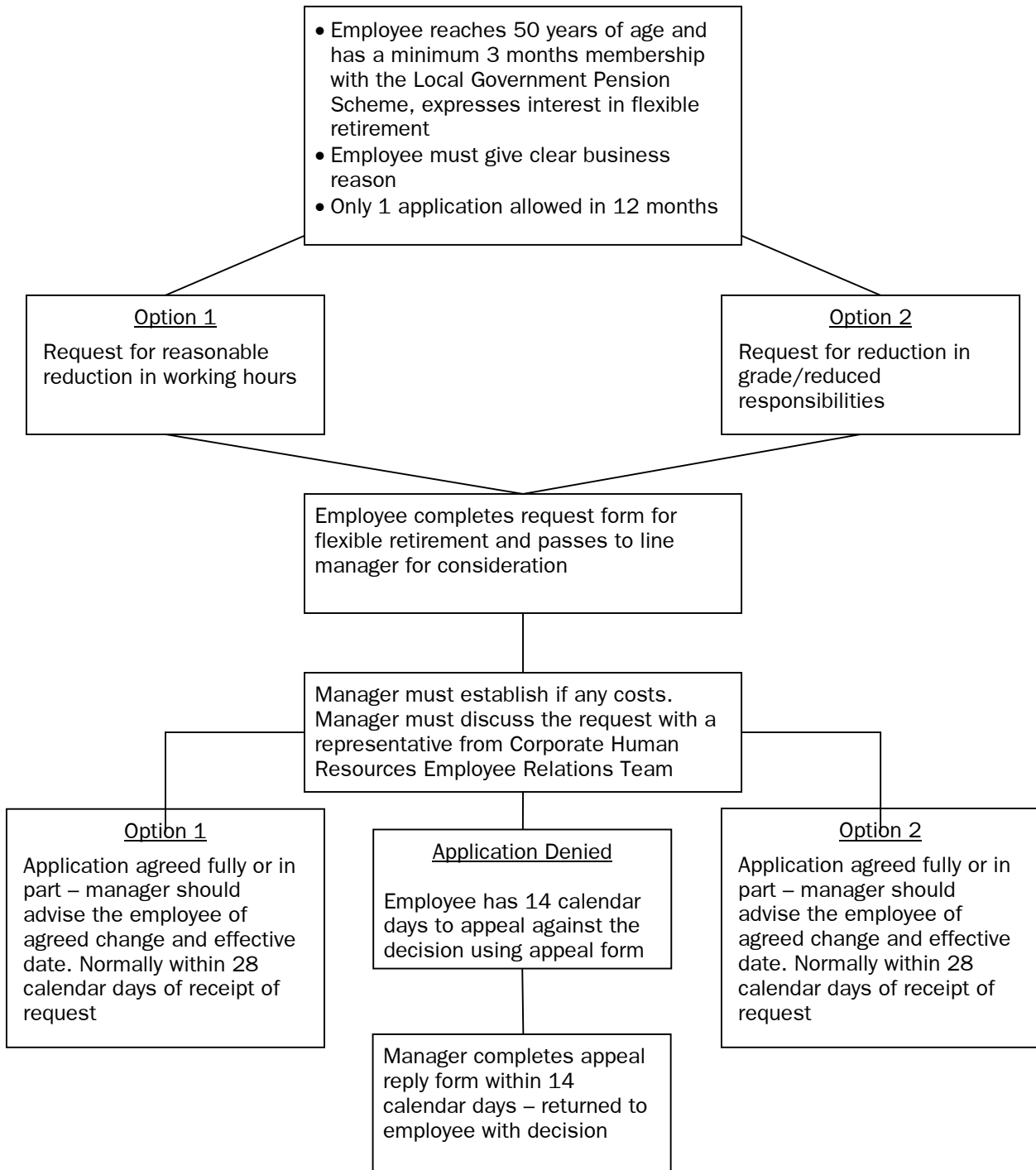
There is no requirement for employees to have a break in service where they are taking flexible retirement.

2.12 Preparing for retirement

Employees can access information on preparing them for retirement. The Personnel Services Unit should be contacted for details on 0191 5274344.

3. Toolkit

3.1 Flowchart



* Employees are strongly advised to seek independent financial advice before undertaking any such request.



3.2 Forms

3.2.1 Sample Form - Request for Flexible Retirement

1. Personal Details	
Name _____	Work's Contact No. _____
Current Job Title _____	Staff/Payroll No. _____
Service Area _____	Grade _____
	Contract Hours _____
2. Eligibility	
Are you aged 50 or over, with at least 3 months total membership of the LGPS (please ✓ as relevant)	
Yes <input type="checkbox"/> Go to question 3	
No <input type="checkbox"/> You are not eligible to apply for flexible retirement.	
3. Details of Request	
I would like to :- (please ✓ as relevant) (If considering both please indicate your preference)	
a) Reduce my working hours <input type="checkbox"/>	Preference: 1 st or 2 nd
b) Move to a job at a lower grade * <input type="checkbox"/>	Preference 1 st or 2 nd
* Please note that if your request is agreed, unless there is a restructure or lower graded vacant post in your service area you will need to apply for advertised posts at your required grade in fair and open competition with other candidates.	
4. Reduced Working Hours	
Please describe your current working pattern (if an unusual working pattern please indicate):	
Normal Days Worked:- Mon / Tue / Wed / Thurs / Fri / Sat / Sun (circulate as appropriate)	
Weekly Contracted Hours: _____ Normal Times Worked: _____	
Unusual working pattern worked: _____ (i.e. average X hours over Y weeks)	
Please describe the reduced working hours/pattern (days/hours/times) you would like to work:	
Days you wish to work: Mon / Tue / Wed / Thurs / Fri / Sat / Sun (circulate as appropriate)	
Weekly Contracted Hours: _____ Normal Times Worked: _____	
Unusual working pattern to be worked: _____ (i.e. average X hours over Y weeks)	
From which date would you like this change to begin?	



5. Impact of the Reduced Hours

I think this reduction in working hours will affect the Council and colleagues as follows:-

6. Suggestion for Accommodating the Reduced Hours

I think the effect on the Council and colleagues can be dealt with as follows:-

7. Declaration

Signature: _____

Date: _____

Print Name: _____

Please pass this request to your manager

Action For Manager (Please consult with Personnel Services Unit prior to the final decision being given to the employee)

- 1) Ensure pension estimate received from Pensions Authority before agreeing to any request to ensure that full consideration of business and financial implications.
- 2) Can you agree to the request without meeting (ensure business reasons including cost implications are considered, this will need input from Pensions Authority) – if yes discuss with Personnel Services Unit then employee.
- 3) Has the employee obtained an estimate from Pensions Authority, if not this should be requested.
- 4) Acknowledge receipt of form and agree date to meet.
- 5) Meet with employee to discuss further.
- 6) Discuss any changes to request with Personnel Services Unit prior to implementation.
- 7) If approved, ensure all appropriate documentation submitted.



3.2.2 Sample Form – Flexible Retirement Acceptance

Note to Manager

You must write to your employee **within 14 calendar days** following your discussion/meeting on your decision. This form can be completed by the service when accepting a request to work flexibly. If you cannot accommodate the requested working pattern then other alternatives can be explored in order to find a working pattern suitable to you both.

Please note that Model Form – Flexible Retirement Rejection Form should be used if the employee’s working pattern cannot be changed and no other suitable alternatives can be found.

Note to the Employee

Please note that the change in your working pattern will be **a permanent change** to your terms and conditions of employment and you have no right in law to revert back to your previous working pattern.

Dear _____ Payroll Number _____

Following receipt of your request and our meeting on (date)

_____,

I have considered your request for a new flexible working pattern.

- I am pleased to confirm that I am able to accommodate your request.
- I am unable to accommodate your original request. However, I am able to offer the alternative _____ pattern that we have discussed and you agreed would be suitable to you.

Your new working pattern will be as follows:

Your new working arrangements will begin from (date) _____

If you have any questions on the information provided on this form please contact me to discuss them as soon as possible

Name _____ Date _____

RETAIN A COPY AND RETURN THIS FORM TO YOUR EMPLOYEE



3.2.3 Sample Form – Flexible Retirement Rejection

Note to Manager

You must write to your employee **within 14 calendar days** following the meeting with your decision. This form can be completed by you when declining a request. Before completing this form you must ensure that full consideration has been given to the request. You must state the business ground(s) as to why you are unable to agree to a new working pattern and the reasons why the ground(s) applies in the circumstances. More details can be found in the Council's Flexible Retirement Procedure.

Dear _____ Payroll Number

Following receipt of your request and our meeting on (date)
_____,

I have considered your request for a new flexible working pattern.

I am sorry but I am unable to accommodate your request for the following business ground(s):

The ground(s) apply in the circumstances because:

(You should explain why any other work patterns you may have discussed at the meeting are also inappropriate. Please continue on a blank sheet if necessary).

If you are unhappy with the decision you may appeal against it. Details of the appeal procedure are set out in the Flexible Retirement Procedure.

Name _____ Date _____

RETAIN A COPY AND RETURN THIS FORM TO YOUR EMPLOYEE



3.2.5 Sample Form – Flexible Retirement Appeal Reply

Note to the Manager Hearing the Appeal

You need to complete this form when replying to an appeal request for flexible retirement. Return this form to your employee, giving notice of your decision, **within 14 calendar days** of the meeting that discussed and considered the appeal. If the appeal is turned down, the grounds for your refusal must be stated and explained.

Dear _____ Payroll Number _____

Following our meeting on (date) _____,
I have considered your appeal against the decision to refuse your request for flexible retirement.

I accept your appeal against the decision. I am therefore able to accommodate your original request for flexible retirement as follows:

Your new working arrangements will begin from (date) _____

Note to the Employee

PLEASE NOTE THAT THE CHANGE IN YOUR WORKING PATTERN WILL BE A PERMANENT CHANGE TO YOUR TERMS AND CONDITIONS OF EMPLOYMENT. YOU HAVE NO RIGHT IN LAW TO REVERT BACK TO YOUR PREVIOUS WORKING PATTERN.

I am sorry but your appeal has been rejected on the following ground(s):

The ground(s) apply because:

(please continue on a separate sheet if necessary).

Name: _____ Date: _____
(Please print name)

RETAIN A COPY AND RETURN THIS FORM TO THE EMPLOYEE



3.2.6 Sample Form – Flexible Retirement Notice of Withdrawal

Note to the Employee

This form provides notification to your manager that you wish to withdraw your request for flexible retirement. Once you have withdrawn your request, you will not be able to make another request until 12 months from the date your original request was made.

Note to Manager

Once your employee has completed this form and returned it to you, the request is considered as withdrawn and you are not required to give it any further consideration.

You should complete the slip below and return it to your employee to confirm your receipt of the withdrawal notice.

Dear _____

I wish to withdraw my request for flexible retirement which I submitted to you on _____.

I understand that I will not be able to make another request until 12 months after the above date.

Name _____ Date _____
(Please print name)

RETURN THIS FORM TO YOUR MANAGER

✂ _____

Cut this slip below and return it to the employee in order to confirm your receipt of their withdrawal notice.

Service Confirmation of Withdrawal (to be completed and returned to employee)

Dear _____

I confirm that I have received notice that you wish to withdraw your request for flexible retirement which you submitted to me on (date) _____

Under the right to apply, you will not be eligible to submit another request until 12 months after the above date.

From _____ Date _____