

Appendix 2

Human Resources Division

FLEXIBLE RETIREMENT POLICY, PROCEDURE & TOOLKIT (Draft)

Making a difference where you live



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1. Policy Outline

1.1 What is the policy about?

Durham County Council 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 policy outlines the Council's flexible retirement options and processes.

1.2 Who does the policy apply to?

This policy 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.

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.

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 the policy

A copy of this policy is available from key personnel within the Services and will be made available to employees on request. A copy can also be viewed via the Intranet Policies and Procedures and the Work Episodes sites.

New employees will be informed of the existence of this policy in recruitment and induction information.

1.7 Reviewing the policy

We will keep the operation of this policy under review and will make such changes to the policy 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 policy and the assessment will be reviewed on an ongoing basis.

1.9 Alternative formats

If you need this information summarised in another language or format such as Braille or talking tape, please call the number below.

إذا اردت معرفت ملخص هذه المعلومات باللغة العربية اتصل علي الرقم التالي

Arabic

আকারে এই তথ্যটি পেতে নিচের নম্বরে ফোন করুন:

Bengali

假如您需要這份資料的中文摘要，請致電下面的號碼。

Chinese

اگر آپ کو یہ معلومات اردو میں درکار ہیں تو اس نمبر پر کال کیجیے۔

Urdu

Jezeli potrzebujesz streszczenia tych informacji w jezyku polskim zadzwon prosze na ponizszy numer

Polish

ਜਾਂ ਤੁਸੀਂ ਇਹ ਖਬਰ ਦਾ ਨਿਚੋੜ ਪੰਜਾਬੀ ਵਿਚ ਚਾਹੁੰਦੇ ਹੋ, ਤਾਂ ਕਿਰਪਾ ਥੱਲੇ ਦਿੱਤੇ ਹੋਏ ਨੰਬਰ ਤੇ ਸੰਪਰਕ ਕਰੋ ।

Punjabi

यदि आप यह जानकारी का संक्षेप हिन्दी में चाहते हैं, तो कृपया निचे दिए हुए नम्बर में सम्पर्क करें ।

Hindi



(0191) 383 4203

1.10 Forms

Forms relating to this policy and procedure will be downloadable from the Intranet Policies and Procedures and Work Episodes site.

Sample forms are included at the back of this document for information purposes only.

2. Procedure

2.1 Flexible retirement background

Regulation 35 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.

All applications for flexible retirements will be considered on an individual basis and decisions made on the merits of each case, based on the following:

- The proposed reduction in hours or grade required to facilitate flexible retirement must be compatible with the requirements of the County 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.
 - The County Council will not pay additional sums into the Fund to allow anyone retiring in this way to have unreduced benefits except in exceptional circumstances. Flexible retirement is voluntary and as such the individual member will have their benefits reduced in an appropriate way as directed under the regulations by the Government Actuary's Department. Exceptional circumstances where an employer payment could be considered are for example:
 - where the County Treasurer and the Director of Corporate Services deem it to be in the interests of the authority to make the payment and there are sound financial reasons for doing so
- or
- on the grounds of compassion where in the opinion of the County Treasurer and of the Director of Corporate Services, the special factors surrounding the application, along with the appropriate supporting evidence provided, justify such a recommendation to the Early Retirement Sub-Committee. Any such recommendation should also take into account the County 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 the business needs of the Council are paramount and 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 application form in full and return the completed form to their manager.

Making an application 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.

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 application 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 is currently undertaking a restructure, has a vacant post of a lower grade, 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 policy in fair and open competition with other applicants.

To assist in the process of applying for lower graded jobs, the Corporate Human Resources Division can send the employee a copy of the "Jobspot" on a regular basis.

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 an application 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 application 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 application 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.

2.5.3 Involvement of Corporate Human Resources Division

The manager must discuss all requests with a representative from the Corporate Human Resources Division prior to the final decision being given to the individual to ensure fair and equitable application of this policy.

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 applications well in advance of when they would like to implement any changes.

Employees can only make an application for flexible retirement once in any 12 month period.

2.8 Effective date of implementation of flexible retirement policy

Implementation of changes arising from flexible retirement will be effective from 1 October 2006 onwards. There will be no consideration of retrospective applications 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 pensions.
- Employees will not be able to request a reduction in grade or hours at one point then make a later request to access pensions.
- Any access to pensions would only be considered 12 months following the employee's original request for a reduction in grade or hours.

2.9 Withdrawal of application for flexible working

If an employee wishes to withdraw an application for flexible retirement at any stage of the process, they must do so in writing to their manager. Once an employee has withdrawn their application for flexible retirement they will not be able to make another application until 12 months from the date their original application 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 under Section 2.5. They have 14 calendar days to confirm the change.

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 departmental Chief Officer 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.

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 our 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 should be aware that different reductions can be applied on flexible retirement compared to employer-sponsored early retirement. This means for example that individuals who meet the 'rule of 85' will still have their benefits reduced if they take flexible retirement under age 60. It is important that estimates of benefits are obtained before an application 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>

2.11.2 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 within the Scheme. 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.

The pension implications of any flexible retirement arrangements cannot override LGPS.

2.11.3 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 courses and information on preparing them for retirement. The Corporate Human Resources Division's Development and Performance Team should be contacted for details on 0191 3833129.

3. Toolkit

3.1 Flowchart - TO BE PREPARED

3.2 Forms

3.2.1 Model form - application 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 <input checked="" type="checkbox"/> as relevant)	
Yes <input type="checkbox"/>	Go to question 3
No <input type="checkbox"/>	You may not be eligible to apply for flexible retirement. Please discuss this with your manager, prior to completion of your application
3. Details of Request	
I would like to :- (please <input checked="" type="checkbox"/> as relevant)	
a) Reduce my working hours <input type="checkbox"/>	Please note that if your request is agreed, you will need to apply for advertised posts at your required grade in fair and open competition with other candidates. Please discuss with your manager
b) Move to a job at a lower grade <input type="checkbox"/>	
4. Reduced Working Hours	
Please describe your current working pattern	
Normal Days Worked:-	Mon / Tue / Wed / Thurs / Fri / Sat / Sun
Weekly Contracted Hours: _____	
Normal Times Worked: _____	
Please describe the reduced working hours and pattern (days/hours/times) you would like to work	
Days you wish to work:-	Mon / Tue / Wed / Thurs / Fri / Sat / Sun (Please circulate as appropriate)
Weekly Contracted Hours:- _____	
Normal Times Worked:- _____	
From which date would you like this change to begin? _____	

5. Impact of the Reduced Hours

I think this reduction in working hours will effect 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. Pension

If your request is agreed, do you intend to elect to draw the pension benefits you have already built up? (please as relevant)

Yes No

Do you wish to request that the Council uses its discretion to waive the reduction in your pension and lump sum in whole or in part? (please as relevant)

Yes No

8. Declaration

Signature: _____

Date: _____

Print Name: _____

Please pass this application to your manager

Action For Manager (Please consult with Corporate Human Resources prior to final decision given to employee)

- 1) Can you agree to the request without meeting - If yes discuss with HR then employee.
- 2) Acknowledge receipt of form and agree date to meet.
- 3) Meet with employee to discuss further.
- 4) Discuss any changes to request with HR prior to implementation.
- 5) If approved, ensure all appropriate documentation submitted.

3.2.2 Model form - flexible retirement acceptance form

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 the service when accepting an application to work flexibly. If you cannot accommodate the requested working pattern other alternatives to find a working pattern suitable to you both can be explored.

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 application 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 application.
- 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 Model Form - Flexible Retirement Rejection Form

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 an application. Before completing this form you must ensure that full consideration has been given to the application. 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 Policy.

Dear _____ Payroll Number _____

Following receipt of your application 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 Policy.

Name _____ Date _____

3.2.4 Model Form - Flexible Retirement Appeal Request Form

Note to the Manager

If your application has been refused, you may appeal against your service's decision. You can use this form to make your appeal. You should set out the grounds on which you are appealing, and do so within 14 calendar days of receiving written notice that your application for flexible retirement has been turned down.

Note to the Manager

This is a formal appeal made under to apply for flexible retirement. Within 14 calendar days following the receipt of this form a meeting must be held including the applicant to discuss and consider the appeal.

Dear _____

I wish to appeal against your decision to refuse my application for flexible retirement. I am appealing on the following grounds:

(Please continue on a blank sheet of paper if necessary)

Name _____ Date _____

RETAIN A COPY AND RETURN THIS FORM TO YOUR MANAGER

3.2.5 Model Form - Flexible Retirement Appeal Reply Form

Note to the Manager

You need to complete this form when replying to an appeal application 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 application 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: _____

RETAIN A COPY AND RETURN THIS FORM TO THE EMPLOYEE

3.2.6 Model Form - Flexible Retirement Notice of Withdrawal Form

Note to the Employee

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

Note to Manager

Once your employee has completed this form and returned it to you, the application 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 application for flexible retirement which I submitted to you on _____.

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

Name _____ Date _____

RETURN THIS FORM TO YOUR EMPLOYER

✂-----

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 application for flexible retirement which you submitted to me on (date) _____

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

From _____ Date _____