

BURY COUNCIL

FLEXIBLE RETIREMENT POLICY

1. INTRODUCTION

"Flexible Retirement" gives members of the Local Government Pension Scheme (LGPS) the option to start receiving all or some of their pension benefits from an earlier age (currently 55 years and over, as per the LGPS regulations). The option allows employees to continue working, subject to a reduction in their working hours or grade. The option also gives employees an opportunity to prepare for retirement by 'stepping down' into a less demanding and lower paid role.

Applications for flexible retirement will only be considered if they are in the interest of efficiency of the service. Flexible retirement arrangements must be agreed by the employer and requests will only be approved if they are in the interests of efficiency of the service and to the Council's financial benefit. Employees who retire early on 'flexible retirement' will not qualify a redundancy payment.

2. SCOPE

This policy applies equally to all employees who are members of the Local Government Pension Scheme (LGPS) and have at least three months' total membership.

3. APPROVAL

Applications for flexible retirement should be discussed with your line manager prior to submission to your department's Human Resources team who will discuss options with you and your manager to develop a supporting business case. Your application must be supported by your Director. Supported applications will then be forwarded to the Assistant Director of Human Resources for further consideration before finally being submitted to HR & Appeals for approval.

4. CRITERIA

- Each flexible retirement request will be considered on its merits and will only be agreed if it is in the employer's economic and / or operational interests to do so.
- Employee must be at aged 55 or over at the date of flexible retirement.
- Applicants will be required to reduce their working hours or grade to ensure that the flexible retirement does not result in an increase in their monthly earnings (i.e. the combined total of their reduced monthly salary plus pension is greater than their original salary).

5. PROCESS

Any employee who is considering flexible retirement, should first discuss the proposal with their line manager, before putting their request in writing to him/her. Advice should be obtained from your Human Resources team to develop the supporting business case.

If the proposal is supported in principle, your application will be considered by your Director.

When considering whether to support applications Directors will consider the following items:

- there is no detrimental effect on service delivery;
- there is available alternative work at the lower grade (if stepping down is requested);
- the arrangement is fair and equitable to other team members;
- it may help to avoid redundancies and the associated strain on Fund pension costs and redundancy payment costs;
- it may enable the transfer of skills / knowledge;
- it would be advantageous to the employees wellbeing;
- it could improve morale;

Before supported applications are progressed estimated future salary and pension figures will be obtained.

If, having received the figures, the employee wishes to proceed the application will be progressed through the approval process as outlined in section 3.

Requests will not usually be approved which result in additional cost to the council.

In cases where a request is not supported by the Director the decision and supporting rationale will be confirmed to the employee in writing.

Employees will have 11 working days to appeal. Appeals should be submitted to the Assistant Director of Human Resources who will reconsider the request in conjunction with the UNISON Branch Secretary. If the appeal is received outside of the 11 working day time limit, it will be declared out of time, and will not be considered.

Relevant documents / records should be retained on file.

6. PENSION IMPLICATIONS

Employer

- There may be adverse costs to employer contribution rates for certain members. Further information can be obtained from the Pensions Officer.

Employee

- The pension benefits built up following the change may be affected where special payments are no longer paid in the new role. Advice must be obtained from the Pensions Officer on how their future pension benefits might be affected.
- Working part-time or in a lower grade prior to the normal retirement age may also affect an employee's ill-health benefits or redundancy payments in the future. Employees should contact their HR team in order to get further advice on how these might be affected.