

Flexible Retirement Policy

July 2026

Contents

Contents..... 2

1. Introduction..... 3

2. Scope 3

3. Principles 3

4. Approach 3

5 Process..... 4

Appendix 1: Flexible Retirement Application Form..... 6

1. Introduction

- 1.1 This policy sets out the Council's flexible retirement offer, which enables employees to reduce their hours or move to a lower graded job and draw all of their pension. It supports them to enhance their work life balance whilst easing more gradually towards full retirement. Employees can also then continue to build up pension benefits in their new role.

2. Scope

- 2.1 This policy applies equally to all employees who are members of the Greater Manchester Local Government Pension Scheme (LGPS) and have at least 2 year's total membership.

3. Principles

- 3.1 The Council is opposed to re-employing an individual who has received any form of voluntary exit package from Bury Council including flexible retirement.
- 3.2 Applications for flexible retirement must be agreed by the employer and will only be considered if they are in the interests of efficiency of the service and to the Council's financial benefit.

4. Approach

- 4.1 Flexible Retirement gives members of the LGPS with at least 2 years membership the option to start receiving their pension benefits from their current membership from an earlier age, which is currently 55 years and over at the date of the Flexible Retirement as per the LGPS regulations (but may be subject to change), whilst allowing them to continue working until a specified retirement date, subject to a reduction in their working hours or grade.
- 4.2 Employees are able to prepare for retirement by 'stepping down' into a less demanding and lower paid role.
- 4.3 Employee's will be required to reduce their working hours and/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 must not be greater than their salary at the effective date of the flexible retirement).
- 4.4 Actual retirement date must be specified at the point the flexible retirement is agreed. The employee must retire within 3 years. During this period the employee is expected to hand over essential knowledge, skills and

experience and then retire. In exceptional circumstances an extension may be granted by the Assistant Director of People & Inclusion and Cabinet member for Customer Services, Communications and Corporate Affairs.

- 4.5 The business case for flexible retirement must result in the salary savings (inclusive of on-costs) paying back any capital cost over a 3-year period.
- 4.6 At the point they 'retire' the employee may qualify for a long service award or redundancy payment (based on reduced salary) depending on the circumstances.
- 4.7 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.
- 4.8 Following a change in role, hours or salary, pension benefits may be affected and advice should always be obtained from the Pensions Team on how the employee's 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.

5 Process

- 5.1 Any employee who is considering flexible retirement should first discuss the proposal with their line manager.
- 5.2 Managers should request an estimate of benefits from the Pensions team pensions@bury.gov.uk.
- 5.3 Discussions must then take place, including with HR, so that the manager can determine whether or not a business case exists.
- 5.4 The employee should complete an application form and the manager would write the business case.
- 5.5 If the proposal is supported in principle, the application will be considered by the Executive Director and must have their support before it can proceed.
- 5.6 When considering whether to support applications Executive Directors will take a rounded view considering, for example, the following:
 - Whether there is any detrimental effect on service delivery
 - If there is available alternative work at the lower grade (if stepping down is requested)
 - That the arrangement is fair and equitable to other team members
 - If it may help to avoid redundancies and the associated strain on pension fund costs and redundancy payment costs
 - If it enables the transfer of skills/knowledge
 - If it would be advantageous to the employee's wellbeing and the service

- 5.7 In cases where a request is not supported by the Executive Director the decision and supporting rationale will be confirmed to the employee in writing.
- 5.8 Supported applications should be forwarded to the Assistant Director of People and Inclusion for further consideration before being submitted to the Executive Director of Finance and, ultimately, the Cabinet Member for Customer Services, Communications and Corporate Affairs for approval. Costs exceeding £100,000 are subject to approval by full Council.

Appendix 1: Flexible Retirement Application Form

FLEXIBLE RETIREMENT APPLICATION

Name	
Date of Birth	
Length of Service	
Pay Reference	
Department	
Service	
Job title	

I would like to apply for flexible retirement, with a proposed effective date of _____

If you have accrued an occupational pension elsewhere, is there a transfer pending?
YES / NO

If YES: Date transfer requested _____

Please note the following statements:

- The Council are looking for an overall saving in the event of this application being granted.
- The Council is opposed to re-employing retired employees.
- If you take flexible retirement you must continue to meet the criteria of the scheme if you change job role/hours/grade during the period (up to 3 years) before you actually retire. In these circumstances your pension plus your new salary should not be more than your salary in the original job you were employed in; with a little discretion to allow for inflation etc.

I confirm I have discussed my request with my line manager and have understood the statements above and all points within the policy.

Signed _____ Date _____

This form, when completed, should be forwarded by the manager with the business case to Human Resources.

Document Version Control

Document Version Control	
Issue Number	Date
0.01	July 2006

This is a live document effective from the issue date. It supersedes any previous versions of this document, which are now withdrawn.

Bury
Council