



FLEXIBLE RETIREMENT

Policy and Procedure

1 Introduction

Employees are already able to apply to work reduced hours and different working patterns under the Job Share and Flexible Working Policies. The Flexible Retirement Policy is aimed at those employees who are approaching retirement and wish to ease their way into it by reducing the amount of time they spend at work.

Under this policy if you are a member of the Local Government Pension Scheme and are aged 55 or over, you can apply to reduce your hours of work and access your pension benefits. This flexible approach to retirement allows us to retain the expertise, knowledge, and skills of our employees. It also supports our workforce planning processes in relation to succession planning.

2 Things you should know if you apply

- You must reduce the hours that you work by at least 20%. So, if you work 37 hours per week your working week would have to be reduced by at least 7 hours 24 minutes.
- You must be 55 or over and have at least 26 weeks continuous service. You must also have at least 2 years membership in the Pension Scheme.
- Reduced working arrangements are permanent so there is no right to go back to your original hours.
- If you withdraw your application, or it is not approved, you cannot make another application for 12 months from the date of withdrawal or the date of the decision.
- You can only apply to reduce the hours of your substantive post. This means, for example, that you cannot apply for flexible retirement in a post you are acting-up in or are seconded to.
- There is not an automatic right to flexible retirement. There will be times when requests cannot be agreed. However, all applications will be considered in line with this policy and decisions will be based on the details of each case.

3 Pension Benefits and Pay

From the start of the revised working arrangement, you will be paid for your new contracted hours of work and **all** your pension benefits will be released. However, these benefits may be reduced because you are taking them early.

You will automatically become a new member of the Pension Scheme based on your reduced hours. If you do not want to stay in the Pension Scheme you will be able to opt out.

4 Procedure

To apply you will need to complete a Request for Flexible Retirement Form and send it to HR Services. They will then send you an estimate of your pension benefits and ask you to confirm if you wish to go ahead or withdraw your application. (See page 4 for a summary of the procedure).

If you wish to proceed, a meeting will be arranged with your Manager to discuss your application in more detail. A trade union representative or work colleague can accompany you.

The purpose of the meeting is to consider whether the request can be supported and what the implications are for you and the Service. If your request cannot be supported other possible working arrangements can be discussed.

When considering flexible retirement requests, you and your manager will need to think about whether the post needs to be covered for the same number of hours or not. Key questions are:

- What tasks are done, and could another team member do some of them?
- Are there any tasks that do not need to be done or could be done differently?
- When are the peaks and troughs in the workload?
- Will essential work still be finished to the required quality and timescales?
- Will there be significant problems if a member of the team was absent at a particular time or day and how could these be overcome?
- What work patterns do other team members work and what would happen during periods of absence?
- If a reduction in hours is not possible, could a job share arrangement be implemented?
- Are there any costs associated with the early release of pension benefits that would need to be covered?
- Could any savings from the reduction in hours assist with the overall management of the service?
- On receipt of your estimate, you will have 4 weeks, from the date of issue, to respond to HR Services. If no response is received during these timescales, you will not be able to apply again for 12 months.'

5 Costs

The cost associated with flexible retirement is related to your age and length of service. In certain cases, there may be no cost because you may be taking reduced benefits or you are over 60. However, in other cases there will be a strain on the pension fund cost even though you have reduced benefits.

If there is a cost, your application can only be agreed if it is in our interests to do so or where there are extenuating compassionate grounds.

6 What happens when a request is supported?

If your application is **supported** by your manager/Head Teacher, it will also need to be approved by Leadership Team and the Human Resources Committee even if there is no cost. This is a requirement of the Council's Constitution. Even if supported no decision should be communicated until after the application has been considered by Human Resources Committee.

For school employees, your application would need to be approved by the schools Governing Board.

When it has been approved by Human Resources Committee, you and your manager can agree when you can start your reduced working week. However, both the Payroll and Pensions Teams will need to be given as much notice as possible of the change. You should be aware that there is usually a period of a few weeks from starting your new working arrangements and receiving your Local Govt pension, although payment will be backdated to the first day of claiming your pension.

7 What happens if a request is not supported

If your application is not supported by your manager and a suitable alternative is not agreed, you can appeal to your Head of Service or Corporate Director. You must do this in writing within 14 days of being told and you will have to explain why you are appealing.

The Head of Service or Corporate Director will arrange to meet you to hear your appeal. Your manager will be invited to attend and a trade union representative or work colleague can accompany you. A representative from HR Services may also be present. If your application is still refused this decision is final. You will not be able to apply again for 12 months from the date of the decision.

For school employees, your appeal must be in writing and forwarded to the Clerk of the Governing Board, requesting that the appropriate Governing Board Committee consider the matter.

8 Equality and Diversity Statement

South Tyneside is committed to promoting equality and valuing diversity. An equality check was carried out in November 2021. No equality implications were identified in this policy.

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Flexible Retirement Process

