



SOLIHULL METROPOLITAN BOROUGH COUNCIL

Flexible Retirement Procedure

**for members of
Local Government Pension Scheme**

This policy sets out the terms of agreement reached by those participating in the Council's Consultation and Negotiating Framework.

1. Introduction

Where an employee is over the age of 55 they may request, in writing, to opt for flexible retirement. In these situation employees over age 55 can elect to prepare for retirement by reducing their hours or their grade. This allows the employee to remain in the Council's employment and, at the same time, draw down some or all of their pension benefits. The employee may continue paying into the pension scheme thereby building up new/further benefits in the scheme.

This option is subject to the agreement of the Council.

As with Early Retirement where an employee accesses their pension before the age of 65 their pension and lump sum may be subject to an actuarial reduction.¹

In order to seek release of pension benefits, the reduction in an employee's hours must be by at least 25% or there must be a reduction in grade.

Regarding continuing to work after accessing their pension, an employee can reduce their hours by 25% or more without taking a break in service and without losing their continuous service.

If the employee wishes to continue working the same number of hours, but at a reduced grade, they will need to have a break in service in order to release their pension benefits. They will be issued with a new contract and therefore lose their continuous service, building up new pension benefits if they choose to pay into the pension scheme on their new grade.

2. Scope

This Policy applies to all employees of Solihull Council who are members of the Local Government Pension Scheme (LGPS).

Further details are available in the LGPS documents

- All about your retirement benefits or
- The essential guide to retirement benefits

Available from the West Midlands Pension Fund or by going to wmpfonline.com or lgps.org.uk

¹ The rule of 85 may protect some or all of your benefits from the normal early payment reduction. To have rule of 85 protection you must have been a member of the LGPS on 30 September 2006. The rule of 85 is satisfied if your age at the date when you draw your pension plus your Scheme membership (each in whole years) adds up to 85 years or more. If you think you may have rule of 85 protection then please seek further information and advice from West Midlands Pension Fund.

3. Procedure

- 3.1 The employee fills in an Application for Consideration for Flexible Retirement (Appendix A) up to Section A, outlining their request and passes the form to the line manager.

The line manager completes Section A of the form checking the following apply:

- the employee is aged at least 55 years of age,
- that the employee is a current member of the Local Government Pension Scheme and
- that the employee wishes to reduce their hours by a minimum of 25%, or their grade

- 3.2 Having obtained the estimate of pension's benefits and costs to Solihull Council, the Manager should discuss the request with the Head of Service/Director and whether a formal request for flexible retirement can be shown to be in the interests of the Council, either financially or through efficiency savings.

The following should be taken into account when considering a request;

- Burden of any additional cost to the Council
- Effect on any ability to meet customer demand
- Ability to reorganise work amongst existing employees
- Ability to recruit additional staff
- Impact on quality
- Impact on performance
- Planned structural change
- Whether to choose to waive the actuarial reduction of early release of pension, subject to Early Leaver Form approvals

- 3.3 If it can be shown to be in the interests of the council to agree to the employee's request, the manager will then meet with the employee and discuss the proposal. The employee then completes Part B of the form if they wish to proceed with the Flexible Retirement Request.

- 3.4 Following the meeting with the employee the manager completes Part C of the application Form and sends this to the HR Adviser.

The HR Adviser then

- If the application is approved, the HR Adviser obtains the authorisations on the Early Leaver Payments Form and sends to HR Shared Service Administrator (Pensions) for release of the pension. If there are changes to the post, an Establishment Control Form will be needed to confirm hours or grade change.

- HR Shared Services will write to the employee confirming the new arrangements and terms and conditions (see Appendix B)
- If the application is not approved the HR Adviser drafts a letter that the application has been unsuccessful and advises of the right of appeal (see Appendix C)

3.5 The employee has a right of appeal against the decision to refuse the request for flexible retirement. An appeal must be submitted in writing within 10 working days of receipt of the letter confirming that an application has been unsuccessful. The appeal should be addressed to Head of Human Resources and set out the grounds for the appeal against the decision.

4 Appeal

4.1 If the manager decides that it is necessary to decline the employee's request for flexible working, the employee must be advised of the right of appeal against the decision and that any such appeal must be lodged within 10 working days.

4.2 For an appeal to be valid it must:-

- Be in writing
- Set out the grounds of the appeal
- Be dated

In the event of an appeal, the manager should acknowledge receipt of the appeal in writing . Arrangements should be made for the appeal to be heard by a nominated manager. The employee must be granted the right to be accompanied at the appeal hearing by a work colleague or Trade Union representative. The appeal hearing must take place within 10 working days of the employee's appeal being lodged. The outcome of the hearing must be communicated to the employee in writing within 10 working days of the appeal hearing

4.3 If the appeal is upheld the notification should specify the changes to the employee's terms of employment and the date from which the changes are to take effect.

If the appeal is not upheld the notification of the decision must explain the grounds on which the refusal is based and the reasons why these grounds apply to the particular case.

The manager will be supported by a Human Resources Manager or Adviser.

5.0 Toolkit

The following resources are available in the toolkit to support this process

- A. Application Form
- B. Letter confirming application approved
- C. Letter confirming application not approved
- D. Appeal acknowledgement
- E. Appeal Hearing
- F. Appeal Outcome

Appendix A: Application form

APPLICATION FOR CONSIDERATION FOR FLEXIBLE RETIREMENT

| | | | |
|------------------------------|--|--------------------|--|
| PERSONAL DETAILS | | | |
| Name: | | | |
| Address: | | | |
| JOB DETAILS | | | |
| Service Area: | | Payroll No: | |
| Location: | | | |
| Telephone/ Email: | | | |
| Job Title: | | | |
| Section: | | | |

| | Current working pattern | Proposed working pattern after Flexible Retirement |
|----------------|--------------------------------|---|
| Monday | | |
| Tuesday | | |
| Wednesday | | |
| Thursday | | |
| Friday | | |
| Hours per week | | |

| | |
|--|--|
| <p>Either what date you wish to</p> <ol style="list-style-type: none"> 1. commence part-time working/flexible retirement and draw some of your pension benefits <p>OR</p> <ol style="list-style-type: none"> 2. change to a lower grade of post (please state what grade you wish to be considered for) and draw my pension benefits to date | |
|--|--|

(Please see next page)

I confirm I am 55 years of age or over, I am current member of the Local Government Pension Scheme.

I understand that in making this request this will not commit me into taking flexible retirement.

Signed: _____ **Date:** _____

Print Name: _____

You will be notified within one calendar month from receipt of this form whether or not your application has been approved.

A . CONSIDERATION OF REQUEST BY MANAGER

Please obtain a flexible retirement benefits estimate for the above employee. I will forward this to employee on receipt of this information, and arrange a meeting with the employee to discuss this request.

Signed: _____

Name: _____

Date: _____

Please return the form to the HR Adviser.

B. FORMAL REQUEST TO TAKE FLEXIBLE RETIREMENT

Having received my estimate of Flexible Retirement benefits and met with my manager, I formally request to apply for Flexible Retirement. I understand that an agreed change to my working pattern will be a permanent change to my terms and conditions of employment.

Signed: _____

Name: _____

Please return this form to the Manager who has met with you regarding your request for flexible retirement when you have completed section B.

C. FOR COMPLETION BY MANAGER CONSIDERING THE REQUEST

Following receipt of this form please complete and send this form to your employee **within 14 calendar days.**

Following receipt of your request and our meeting on _____

I have considered your request for a new flexible working pattern/change in grade together with release of your pensions benefit, and

EITHER

| | |
|---|--|
| I am pleased to confirm that I am able to accommodate your request. | |
| Your new working pattern/grade will be as follows: | |
| | |
| | |
| | |
| Your new working arrangements will begin from Date: | |

OR

| |
|---|
| I am unable to accommodate your request because _____ _____ |
| If you have any questions on the information provided on this form please contact me to discuss them as soon as possible. |

Name of Manager _____ **Date** _____

The Manager should retain a copy and return this form to their HR Adviser