



FLEXIBLE RETIREMENT POLICY

1. Purpose

1.1 Leighton-Linslade Town Council is committed to providing greater choice and flexibility to its employees with regard to making their transition from working life to retirement an enjoyable experience.

1.2 The benefits for the council:

- Enables the retention and transfer of valuable experience, skills and knowledge which would otherwise be lost if an employee were to retire or leave
- Assists with workforce planning and mentoring, particularly for specialist roles, and growing our own.

1.3 The benefits for the employee:

- Eases the transition from working life to retirement
- Allows balance between work and outside commitments

1.4 This policy sets out the council's approach to flexible retirement and the main conditions for an application for flexible retirement to be considered and approved.

1.5 This policy seeks to ensure that the council complies with its legal obligations and also outlines options in relation to flexible retirement.

1.6 The policy should be read alongside the Council's adopted Statement of Pension Discretions.

1.7 Employees considering retirement can obtain further information from Bedfordshire Pension Fund: <http://www.bedspensionfund.org/>

2. Scope

2.1 This policy applies to all employees who are members of the Local Government Pension Scheme (LGPS).

3. When flexible retirement may be agreed

3.1 A Local Government Pension Scheme (LGPS) member may, from the age of 55, claim their pension benefits early, subject to the Council's agreement, if they reduce their hours or move to a less senior position, provided they have met the 2 years vesting (active membership) period in the LGPS. Employees can draw the pension benefits they have built up and continue working, however the pension will normally be reduced if it is claimed before Normal Pension Age (NPA).

3.2 The council's policy is that the reduction in hours and/or grade/responsibilities must result in a reduction in gross salary of between 20% and 49.999%. The changes should be considered permanent within that role.

- 3.3 If the council agrees to flexible retirement, in addition to their pension benefits the employee can receive their pay from their job on reduced hours or grade, as well as continuing to pay into their pension scheme. By continuing to pay into their pension scheme, the employee will accrue additional pension benefits payable on retirement.
- 3.4 Flexible retirement is only available to employees continuing in their current post on reduced hours or, with agreement, moving to another post within the council, at a lower grade and/or reduced hours. This ensures maximum benefit to the council through the retention of acquired skills and experience.
- 3.5 Flexible retirement options are open to those employees who want to partially retire, thereby easing them into retirement. Requests will only be considered where the implications for the service, in particular the resourcing impact from a person's reduction in working hours or level of responsibility, have been fully assessed. Service needs and efficiency are essential considerations when assessing any request.
- 3.6 All requests for flexible retirement must also be able to demonstrate a business benefit to the council in terms of retention of valuable skills and knowledge. Each request will be considered on its merits and will only be agreed if it is in the council's economic and/or operational interests to do so.
- 3.7 Where a Flexible Retirement request is approved by the council, any actuarial reduction to the benefits is borne by the employee. The Town Council may consider waiving reductions in rare exceptional circumstances.
- 3.8 Employees who do not wish to reduce their income but would like to work flexibly have the right to request flexible working in accordance with statutory provisions (see S.4 of the Employee Handbook). There is no automatic right for a request to be approved.

4. Reasons for refusing a Flexible Retirement request

- 4.1 Other than in rare and exceptional circumstances (as determined by the Personnel Sub-Committee), requests for flexible retirement will be refused if one or more of the following criteria applies:
- The employee does not meet the age or membership criteria of their pension scheme.
 - The proposal will not result in a reduction in gross salary of between 20% - 49.999%
 - There will be a cost burden to the council
 - There is evidence that the proposal is not in the council's economic or operational interests.

5. Procedure

- 5.1 Employees should firstly discuss their proposal with their immediate line manager or Head of Service. The Town Council, as employer, will send a request for pensions information to Bedfordshire Pension Fund. The information received back will be assessed against this policy and discussed further with the employee.
- 5.2 Should the employee wish to proceed further on the basis that the Council may consider a flexible retirement request (based on the information provided by Beds Pension Fund), a formal request must be put in writing to the Town Clerk.
- 5.3 Any requests will be considered by the Personnel Sub-Committee at its next scheduled meeting. The Sub-Committee may seek guidance from senior management, the Council's Human Resources support provider and/or Bedfordshire Pension Fund advisors, as appropriate. The employee will be advised of the outcome within 5 working days of the Sub-Committee meeting.
- 5.4 Any appeal following the outcome of a decision by the Personnel Sub-Committee will be heard by the Disciplinary, Grievance and Appeals Sub-Committee whose decision is final.
- 5.5 The above procedure also applies in respect of requests from employees regarding any of the Town Council's adopted Pensions Discretions.

Adopted by Leighton-Linslade Town Council: