

Flexible Retirement Arrangements



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1. Introduction

1. The Local Government Pension Scheme (LGPS) provisions allow employees aged over 55 years to apply to the employer to reduce their hours of work and/or transfer to a lower graded post and draw their accrued pension benefits whilst continuing in employment and to build up further benefits in the pension scheme.
2. Flexible retirement is not an entitlement. These retirements may involve substantial costs to the employer and there are contractual implications where the employee wishes to reduce hours or move to another post. As such, applications will only be considered when it is in the Council's economic and/or operational interests to do so.
3. These arrangements apply to all employees directly employed by the Council who are members of the LGPS Scheme only and is recommended to schools with delegated authority for staffing matters, as "Best Practice". Elevate employees are required to apply directly to Elevate to be considered.

Note: There are separate arrangements for employees who are members of the Teachers Pension Scheme. For further advice, please contact the Pensions Team.

Pensions@LBBD.Gov.uk

2. Flexible retirement

Pension benefits

1. Accrued pensions that are paid before the age of 65 as part of a flexible retirement arrangement will, in most cases, be reduced to recognise the fact that they will be paid for longer.

Note: The Council reserves the right to waive this reduction where to do so would clearly be in the Council's interest and agreed by the Chief Financial Officer.

2. If flexible retirement is agreed, the employee will receive a pension based on their pension membership accrued up to the time they start the flexible retirement arrangement.

They could also receive an additional pension accrued, (at the reduced hours and/or grade), from the time they start the flexible retirement arrangement up to the date that they completely retire from work (assuming they rejoin the pension scheme).

3. Employees who are contemplating applying for flexible retirement should discuss this with their manager in the first instance.

Managers, (at Group Manager or above), can obtain estimates for the employee's pension and the employer's costs by contacting the Pensions Section on 0208 227 2607 or via e-mail to:

Pensions@LBBD.Gov.uk

Applying for flexible retirement

4. The Council will consider applications for flexible retirement on the following basis:
 - i. If the employee is seeking to reduce his or her working week, the reduction must be at least a 40%. (Someone working 35 hours a week must reduce their working hours to at least 21 hours.)
 - ii. If the employee is seeking to transfer to a lower graded job, the job must be at least 2 grades lower.
 - iii. If the employee is seeking to transfer to a lower graded job with a reduction in his or her working hours, a move to a job 1 grade lower must be accompanied by a reduction in working hours of at least 20%. (Someone working 35 hours a week must reduce his/her working hours to at least 28 hours.)
 - iv. The reduction in grade and/or working hours must be based on the employee's substantive post and not a secondment or temporary appointment.
 - v. Where the grade is reduced, the employee will move from his or her existing grade to the equivalent point on the new grade. There will be no interruption in the payment of annual increments.
 - vi. The arrangement must be permanent.

5. Employees who wish to apply for flexible retirement should write to their Divisional Director stating whether they:
 - i. Wish to reduce their hours of work; or
 - ii. Want to move to a lower graded post, with or without a reduction in their hours of work;
and provide the following information
 - iii. The date on which they would like the arrangement to start;
 - iv. How they believe the desired arrangements will work and/or can be accommodated, including the effect on the Council's business and colleagues

Note: Applications from:

 - i. Group Managers or employees who report directly to a CMT member should be made to their Corporate Director as appropriate. (The Chief Executive may nominate another Corporate Director to consider any applications).
 - ii. Divisional Directors or above should be made to the Chief Executive and will be considered by a Member Panel.

6. A move to a lower graded post may be achieved in one of the following ways:
 - i. The employee may seek a transfer to a lower graded post in their service area, provided there are no employees on the Redeployment Register who are a match for the job. They will not be given priority over redeployees.
 - ii. The employee's existing job may be redesigned to remove some of the duties or responsibilities and the post re-evaluated. In these cases, the pay protection arrangements will not apply.

7. The Divisional Director, (Corporate Director or Panel as appropriate) will discuss the application with the employee and consider this on its merits, including:
 - i. The cost implications for the pension fund in consultation with the Chief Financial Officer.
 - ii. The cost implications for the service.
 - iii. The affect on service delivery.

Applications will only be agreed if it is in the Council's economic and/or operational interests to do so.

8. The Divisional Director, (Corporate Director or Panel as appropriate), will write to the employee setting out their decision within 10 working days of receiving the written request, including the reason(s) where the application is refused.

A copy of the letter should be forwarded to Human Resources for monitoring purposes and to go on the personnel file.

Appeals

9. Employees may appeal against the Divisional Director's decision by writing to their Corporate Director within 10 working days of receiving the letter outcome and stating how they see the concerns being addressed.

Note:

- i) An appeal against a Corporate Director's decision at paragraph 8 should be sent to the Chief Executive and will be considered by another Corporate Director
- ii) An appeal against a Member Panel's decision at paragraph 8 should be sent to the Chief Executive and will be considered by a Members Appeal Panel

10. The Corporate Director will convene a meeting with the employee and the Divisional Director within 10 working days. The employee may be accompanied by a work colleague or trade union representative.

If this not possible, the Corporate Director will write to the employee to explain the reason for the delay, and give an indication of when the appeal will be held; this will be within a maximum 20 working days from the date the appeal was received.

Note: Appeals to a Member Appeal's Panel will be arranged as soon as possible.

11. If the Corporate Director cannot arrange a meeting within 20 working days, they may nominate another director to consider the appeal.
12. The Corporate Director or Panel as appropriate will write to the employee setting out their decision within 2 weeks of the appeal meeting. There is no further right of appeal.

A copy of the letter should be forwarded to Human Resources for monitoring purposes and to go on the personnel file.

4. Monitoring

1. Applications for flexible retirement will be monitored and reviewed annually to ensure that the arrangements are applied fairly and consistently across the Council.

Human Resources will automatically update the arrangements to comply with any changes to legislation and / or ACAS guidance and notify employees of the amendments.

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