

DRAFT FOR CONSULTATION

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
FLEXIBLE RETIREMENT FOR MEMBERS OF THE
LOCAL GOVERNMENT PENSION SCHEME**

POLICY STATEMENT

1. This policy is made in accordance with the Local Government Pension Scheme (Amendment) (No. 2) Regulations 2006 the Local Government Pension Scheme (Benefits, Membership and Contributions Regulations) 2007 *and the Local Government Pension Scheme Regulations (Miscellaneous Regulations) (2012)* and will normally be reviewed annually. If the council decides to change its policy it will publish a statement of the amended policy within one month of the date of its decision.
2. In formulating and reviewing its policy, the council:
 - i) has regard to the extent to which the exercise of its discretionary powers (in accordance with the policy), unless properly limited, could lead to a loss of confidence in the public service; and
 - ii) is satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.
3. In response to written requests from eligible employees for Flexible Retirement, the Council will:
 - i) Consider all requests for flexible retirement. The key factors that will be taken into account are:
 - There will be no detrimental effect on service delivery
 - There is alternative work at a lower grade or reduced hours
 - The arrangement is fair and equitable to other employees
 - Pension strain costs are affordable and can be justified
 - The employee is fully aware of the implications of drawing the pension early particularly where there is an actuarial pension reduction.
 - ii) Approve requests only when it is in the Council's interests to do so. All costs falling on the Council as an employer must be affordable and within existing budget limits. Where this is not achievable, the proposal should be accompanied by a plan detailing how any costs will be recovered.
 - iii) A request should typically involve a reduction in salary of at least 40%, either through reduced hours or level of responsibility (grade) or a combination of these.
 - iv) The employee's contract of employment will be amended by mutual agreement to reflect the new hours or grade, as agreed, and continuity of service will be preserved for terms and conditions purposes.

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Deleted: Employees will continue in employment until they achieve the Council's Normal Retirement Age, at which point the Age Retirement Procedure will apply
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- v) The Council will not agree to waive pension benefit reductions.
- vi) Following the reduction in hours or grade, the Council will not offer alternative employment to top-up the loss of income.
- vii) Be sympathetic to requests involving a phased reduction in working hours, subject to any such arrangements being operationally practicable. However, the Council will not agree to requests that would, overall, lead to the employee being better off than before flexible retirement and will only consent to the release of the accrued benefits if this is the case.

*Note Retirement benefits drawn on flexible retirement must include all of those which may have accrued in respect of active membership under the 1997 Regulations and may, according to the wishes of the employee, include all or part of none of the benefits accrued in respect of membership under the 2008 Scheme.

4. **Approval Process**

- 4.1 Applications must always be in writing to the Executive Director (Resources and Support Services) stating the reasons for the request and the details of what is being requested.
- 4.2 When considering requests, the Executive Director (Resources and Support Services) will take into account the impact on the organisation or the service, proposals to cover any change, staff resource issues and, if necessary, details of how any costs will be recovered.
- 4.3 The Executive Director (Resources & Support Services) will approve the request only when satisfied that the flexible retirement is in the overall interests of the Council and after consultation with the Portfolio Holder (Resources and Efficiency).
- 4.4 Appeals regarding any decision taken in 4.3 (above) to be determined by the council's Appeals Panel.

5. **Review**

- 5.1 The Policy is to be reviewed annually.

Approved December 2008 – Cabinet

Reviewed April 2009 – No changes

Reviewed April 2010 – No changes

Reviewed December 2011 – No changes

- Reviewed June 2013** – Reference to Miscellaneous Regulations (2012) added at 3(vii)
– Reference to Age Retirement Procedure deleted at 3(iv)
– Reference to requests for phased reduction in hours to be treated sympathetically added at 3(vii)
– Note clarifying options for claiming benefits added after 3(vii)

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