



FLEXIBLE RETIREMENT POLICY

Flexible Retirement Policy and Procedure

1 Introduction

- 1.1 Under the Local Government Pension Scheme (LGPS), employees aged 55 or over may receive their accrued pension benefits whilst remaining in employment, provided that they reduce their grade or hours of work and they have the consent of their employer. This is known as 'Flexible Retirement'.
- 1.2 Once an employee has flexibly retired, they may continue to build up benefits in the LGPS if they wish.

2 Benefits of flexible retirement

- 2.1 Flexible retirement can be beneficial to both the School and employees by: -
 - Enabling employees to balance work with other responsibilities, for example caring or volunteering
 - Enabling employees to work towards retirement gradually
 - Enabling effective succession planning and transfer of valuable knowledge and skills before retirement
 - Helping to manage organisational change by providing an alternative to redundancy
 - Saving on recruitment and other costs
 - Supporting our flexible working arrangements
 - Supporting our aim to be an employer of choice

3 Scope

- 3.1 This document applies to all employees who are members of the LGPS and who meet the eligibility requirements.

4 Eligibility

- 4.1 To be considered for flexible retirement the employee must be a member of the LGPS and:
 -
 - Be aged between 55 and 74
 - Have at least 2 years' membership of the LGPS, or have transferred the equivalent pension rights into the LGPS
 - Reduce their hours in their current job, OR transfer to another available job which has fewer hours or is at a lower grade.

5 Employer consent

- 5.1 Requests for flexible retirement are subject to the approval of the Governing Body, based on a recommendation by the Headteacher. The procedure is set out in Appendix A.
- 5.2 In schools, approval is the responsibility of the Headteacher and Governing Body.
- 5.3 There is no automatic right to flexible retirement. It can only be taken if the Governing Body gives its consent. The Governing Body will only usually consent to an application to reduce working hours where the reduction is at least 20-30% of existing working hours.
- 5.4 Requests for flexible retirement will be subject to operational considerations and only granted on the merits of each individual case, taking into account:-
 - The need for retention of experience and specialist or shortage skills to ensure continuity of service provision
 - Available resource and the effect on the school's ability to provide ongoing services
 - Whether flexible retirement may be part of succession planning
 - Whether work can be re-organised or whether additional recruitment or training is required
 - Potential savings for the School
 - The cost to the School
 - Whether redundancy may be avoided
- 5.5 When flexible retirement is not seen to be in the School's interests for any reason, then permission will be withheld.

- 5.6 The “actuarial costs” i.e. costs associated with withdrawing pension entitlement before normal retirement age, will normally be met by the employee by a reduction in the benefits they receive.
- 5.7 In some cases, where an employee is aged between 55 and 59 and they meet the ‘rule of 85’ then certain benefits are protected from actuarial reduction on flexible retirement, in which case, the School must meet the actuarial cost. In such cases, the application will only be granted where there is a strong business case for doing so, for example, the retention of specialist skills, and where it is possible to recoup the cost in salary savings over a reasonable period of time.
- 5.8 The School and the Employee may mutually agree an end date for the flexible retirement. Where an agreed end date is being considered, the Head Teacher should seek advice from their HR provider. Any arrangement should be agreed in writing and retained on the employee’s personal file.
- 5.9 An employee may only flexibly retire once under this policy. Once flexible retirement is granted, any further changes to an employee’s hours will be considered in line with the employee’s statutory right to request flexible working in line with the School’s policy on flexible working.
- 5.10 The School will not normally redesign an existing post in order to facilitate a change in grade purely for the purpose of facilitating flexible retirement. Exceptional circumstances may be considered in individual cases (for example the need to retain a particular skill or other business benefit.)
- 5.11 Flexible retirement is a voluntary option and employees cannot be compelled to enter into a flexible retirement arrangement by the School. As part of their regular discussions with staff, Head Teachers may wish to advise employees that flexible retirement could be a mutually beneficial option where this would meet both the needs of the School and the individual circumstances of the employee, subject to a suitable business case being submitted and being approved by the Governing Body.

6 Financial considerations for employees

- 6.1 Flexibly retired employees receive their pension benefits accrued to the date of their flexible retirement (usually actuarially reduced where the employee is below their normal retirement age), together with the salary and conditions appropriate to their new grade/working hours. Where working hours are reduced, salary and benefits are pro-rated.
- 6.2 The School will only consent to a flexible retirement application where the employee elects to draw all of the benefits that relate to any LGPS membership.
- 6.3 Employees will have a choice to re-join the LGPS from the date of the flexible retirement, provided they meet the eligibility requirements of the scheme.
- 6.4 Taking flexible retirement may impact on the value of your benefits, your rate of taxation, and other benefits under the LGPS such as ill-health, redundancy and death in service. Employees are therefore advised to take independent financial advice as to how flexible retirement will affect them, prior to making a request.

7 Roles and Responsibilities

Head Teacher responsibility

- 7.1 Consider all requests for flexible retirement in a fair and consistent manner.
- 7.2 Obtain information about the potential employer costs of early retirement from Pension Services.
- 7.3 Complete business case before forwarding to a panel of Governors for approval.
- 7.4 Write to the employee to confirm the outcome and ensure that the approved changes to contractual arrangements are implemented on Your HR by the school inputter. A copy of correspondence and completed application form should be saved on the employee’s personal file.

Employee’s responsibility

- 7.5 To initiate any request for flexible retirement in line with this policy and with as much notice as possible.

- 7.6 To seek their own advice as to how flexible retirement may impact them financially.
- Responsibility of the Head Teacher and Governing Body**
- 7.7 In determining whether flexible retirement should be agreed, to apply this policy fairly and consistently, giving full consideration to the impact (whether positive or negative) and to the recoverability of any cost to the School.
- 7.8 Applications are subject to the approval of the Governing Body, based on a recommendation by the Head Teacher.
- HR responsibility**
- 7.9 To provide advice and guidance on this policy and procedure to the Head Teacher and Governing Body.
- 7.10 To inform the Pension Service.
- Pension Service Responsibility**
- 7.11 To provide individual estimates of pension benefits on flexible retirement and confirmation of actuarial costs to be met by the School (prior to a decision being made).

8 Useful Contacts

- 8.1 For detailed information on pensions contact: -
Pension Service 01926 412682 pensions@warwickshire.gov.uk
- 8.2 For advice and guidance contact: -
WES HR Advisory Service 01926 418614 weshradvice@warwickshire.gov.uk
- 8.3 For assistance with processing requests on Your HR contact: -
People Service Centre 01926 738444 weshrandpayroll@warwickshire.gov.uk

Appendix A Procedure for Flexible Retirement

- 1 The employee should request an estimate of their benefits upon flexible retirement from the Pension Service pensions@warwickshire.gov.uk.
- 2 If, having sought independent financial advice, the employee wishes to proceed with their application, they should discuss this informally with the Head Teacher before completing and sharing Part A of the Flexible Retirement Application Form with them. The employee must give as much notice as possible of their request.
- 3 The Flexible Retirement Application Form should include information such as the reduction in hours of work or grade requested, and a requested date for the flexible retirement to start.
- 4 If the application is on the basis of obtaining a post on a lower grade the employee will be considered for this in accordance with the normal recruitment process.
- 5 The Head Teacher must obtain information about any actuarial cost to the school from Pension Services, before completing the business case at Part B of the application form, including details of any costs. Information about the actuarial cost to the school will not be shared with the employee. In considering the request the Head Teacher will need to consider the matters set out in paragraph 5.4.
- 6 The Head Teacher will seek advice from their HR provider, and make a recommendation to the Governing Body on whether it should be approved.
- 7 The Governing Body will make a decision whether to approve the application.
- 8 The employee will be informed of the decision in writing by the Head Teacher. If the employee is dissatisfied with the decision then they may, within 14 days, request that the decision is reviewed by a second panel of Governors who have not previously been involved.

If the request for flexible retirement is approved, the Head Teacher will ensure that the agreed changes are implemented on Your HR by the school inputter. A copy of correspondence should be saved on the employee's personal file.

Flexible Retirement Application Form

Name: [Click here to enter text.](#)

Date of Birth: [Click here to enter text.](#)

Employee number: [Click here to enter text.](#)

Job Title: [Click here to enter text.](#)

School: [Click here to enter text.](#)

Work phone number: [Click here to enter text.](#)

Work email address: [Click here to enter text.](#)

Name of Head Teacher: [Click here to enter text.](#)

Current Grade: [Click here to enter text.](#)

Current contracted hours: [Click here to enter text.](#)

Local Government Continuous Service Date: [Click here to enter a date.](#)

Service Date with WCC: [Click here to enter a date.](#)

Date of flexible retirement application: [Click here to enter a date.](#)

Effective date of flexible retirement requested from: [Click here to enter a date.](#)

Details of request

Please tick appropriate box.

Current job – reduction in hours

Contracted hours to: [Click here to enter text.](#)

Percentage reduction in hours [Click here to enter text.](#)

Different job

Post title: [Click here to enter text.](#)

Hours/Grade and scp: [Click here to enter text.](#)

I am aware that, if agreed, this flexible retirement would result in a permanent change to my employment contract.

I confirm that I have received a pension estimate in relation to this request and am aware of any actuarial reduction on my pension.

If you currently have fixed working hours, describe your current working pattern (hours/minutes worked)

Monday: [Click here to enter text.](#)

Tuesday: [Click here to enter text.](#)

Wednesday: [Click here to enter text.](#)

Thursday: [Click here to enter text.](#)

Friday: [Click here to enter text.](#)

Saturday: [Click here to enter text.](#)

Sunday: [Click here to enter text.](#)

Where your request is for reduced hours, if you wish to continue with a fixed working pattern, describe the working pattern you would like to work in the future (hours/minutes worked)

Monday: [Click here to enter text.](#)

Tuesday: [Click here to enter text.](#)

Wednesday: [Click here to enter text.](#)

Thursday: [Click here to enter text.](#)

Friday: [Click here to enter text.](#)

Saturday: [Click here to enter text.](#)

Sunday: [Click here to enter text.](#)

Reasons for making flexible retirement request

[Click here to enter text.](#)

Where the request is for a reduction in hours in existing post please explain how you think your request for flexible retirement can be accommodated.

[Click here to enter text.](#)

Part B - To be completed by the Head Teacher

Please outline below the business/service delivery rationale for your recommendation, taking into account:

- The need for retention of experience and specialist or shortage skills to ensure continuity of service provision
- Available resource and the effect on the School's ability to provide ongoing services
- Whether flexible retirement will enable succession planning
- Whether work can be re-organised or whether additional recruitment or training is required
- Potential savings for the School
- The cost to the School
- Whether redundancy may be avoided

[Click here to enter text.](#)

There is an actuarial reduction to the employee's pension: Yes/No (please delete)

Are there actuarial pension strain costs that would have to be met by the School if the application is approved? Yes/No (please delete)

If so what are these costs? [Click here to enter text.](#)

Please attach pension estimate of employer costs

Confirmation by Head Teacher

This flexible retirement request is considered to be operationally viable. Yes/No (please delete)

If Yes, please confirm:

- **Transfer reason:** Retirement – Flexible (Over 55 – No Costs to Employer) or Retirement – Flexible (Over 55 – Costs to Employer). Please delete as required
- **Agreed effective date for reduction in hours:** [Click here to enter text.](#)
- **Number of Weeks to be worked (e.g. 52.14 for non term time only, 38 weeks for term time only):** [Click here to enter text.](#)
- **Details of any allowance:** [Click here to enter text.](#)

Once approved by the Governing Body, Headteacher confirms outcome in writing to the employee and the letter with this completed form filed on the employee's personal file.

The authorised application must be provided to the Your HR inputter at your school for them to process as a flexible retirement.

Part C APPROVAL

Flexible retirement recommended and approved by Governing Body:
Yes/No (please delete)

Date: [Click here to enter a date.](#)

Comments

[Click here to enter text.](#)

(Please retain a copy of this form on the employee's personal file).

School Inputter – guidance on how to process the Flexible Retirement in Your HR can be found on the homepage under 'School User Guides/Payroll Details'.