

Retirement Policy

This policy applies to:	
Members	No
Officers	Yes
Managers	Yes
Others	Temporary Staff

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1. Definitions

Since the law changed in April 2011 there has been no set retirement age. The changes in legislation mean that whilst individuals can still retire when at 65, there are also options open to employees who want to ease into retirement gradually; or postpone it until a later date by continuing to work.

The Council is committed to offering retiring employees support and flexible options to make the transition from working life to retirement an enjoyable one.

The Council is committed to equal opportunities for all its employees, and recognises the contributions of a diverse workforce, including the skills and experience of older employees. It believes that employees should, wherever possible, be permitted to continue working for as long as they wish to do so. The option to work flexibly beyond age 65 is an important part of the Council's commitment to diversity, as it assists in the elimination of unlawful and unfair age discrimination and enhances its belief that flexible working has positive benefits for the employee and the Council.

2. Retirement Age

An important distinction to note is the difference between retirement age and pensionable retirement age. Individuals can leave employment at any age; however, the date they can retire and take their pension is dictated by their pension scheme. The age at which an individual can draw a state pension may also vary.

You can “retire” at any time giving your contractual notice period as you would to leave employment at any time or age. However, if you are a member of the LGPS you cannot receive a pension before age 55 and even in this case you need the Council’s consent to do so, including where you meet the 85-year rule.

For further information on the rule of 85 and your LGPS pension benefits and options contact the Local Pensions Partnership Administrator, LPPA.

For further information about eligibility for state pension, as well as Local Government Pension Scheme (LGPS) pension benefits, please refer to the websites detailed in section 10.

3. Retirement Process

Employee:

An employee wishing to retire should confirm in writing giving a minimum of their contractual notice period. Employees are encouraged to give an early indication of their planned retirement date where possible. On receiving the appropriate leavers documentation, Payroll will notify LGPS Administrator on behalf of NHC to enable arrangements to be made for your pension.

An employee who is shortly to retire will often have considerable knowledge in relation to your role and responsibilities. Prior to retirement, you should cooperate with the Council, if requested to do so, by:

- providing full written details of the status of work projects and future steps.
- developing a job description, including key competencies and skills required for the role
- ensuring a smooth handover of work; and
- assisting in training any successor.

Line Manager:

During monthly 1:1 meetings and regular performance reviews (RPR’s), employees may discuss their future plans or proposals for retirement. Such a discussion about possible retirement should not result in any assumptions about the employee’s commitment to the



Council. These discussions are an informal opportunity for both the manager and the employee to plan jointly for the future.

On receipt of notice that the employee wishes to retire you should meet with them to discuss arrangements for retirement, including the intended retirement date, succession and handover plans, any requirement for pre-retirement training, and any phased/flexible retirement if applicable.

Managers should not assume that an employee who continues to work beyond 65 years is any more likely to experience health and safety or performance difficulties. The same principles and policies that apply to all employees (i.e. risk assessments, occupational health referrals, performance management etc).

4. Flexible Working Options

Anyone continuing to work beyond age 65 have the right to request to flexible working under the Council's Right to Request Policy. This enables you to request a variation to your contract to amend the total number of hours worked, the times you are required to work or the place of work i.e., home, or usual place of business. This could result in arrangements such as: part-time working or compressed hours. More details are available on the intranet.

Besides the above, an individual could consider moving to a different or lower graded post. This should be discussed with their manager to talk through suitable options within the service area, or it may be necessary to apply for alternative posts within the Council via the normal recruitment process.

5. Flexible Retirement

Under the LGPS flexible retirement provides an option for an employee to take their pension whilst continuing to work at a lower grade and/or on reduced hours. It is available to LGPS members who are aged 55 or over and requires a minimum reduction in salary of 25%. Flexible retirement is subject to consent from the Council, and individuals should discuss with their line manager and should email their Service Director to seek consent. However it should be noted that an employee's pension will be actuarially reduced if paid before age 65.

6. Pension Implications for LGPS members

Pension contributions

If you carry on working beyond age 65 you will continue paying into the LGPS scheme (unless you opt out) while your employment continues (up to eve of the day before your 75th birthday) and your pension benefits will be increased to reflect that it will be paid for a shorter time. If you opt out, you will not normally be able to draw your pension until your employment ends.

National Insurance Contributions

Currently employees do not have to make any further National Insurance contributions after reaching state retirement age. This is subject to Government reviews.

Terms and Conditions of Employment

If you continue to work in your current job, at the same hours beyond age 65, you will remain under the same terms and conditions of employment. If you change your grade or your working hours or move from a permanent contract to a temporary one, you will receive a new statement of particulars to this effect.

Continuous service will not be affected by taking advantage of flexible retirement options if you remain in service without a break.

7. Advice and support

Approaching retirement can be a life changing event and it is natural for you to be a little apprehensive about such change. Managers should ensure that you are aware of the advice and guidance that is available to you in good time so that you can prepare in the lead up to retirement. The correct time to give advice will depend on your circumstances and when you plan to retire, although in normal circumstances it may be helpful to make this advice available 5 years prior to your pensionable retirement date.

Details of pre-retirement seminars are available from the Learning and Employee Engagement team and via the GrowZone menu on the Intranet. It is recommended that this course should be attended a minimum of 2 years before your estimated retirement date, but ideally at any time from the age of 55.

Advice can also be sought from the Council's free and confidential employee assistance programme, details of which can be found via the Staff Benefits page of the intranet.

If you have any queries about the support available, please contact HR via Hrhelp@north-herts.gov.uk or X4556

8. Retirement Recognition

NHDC would like to recognise your service, as well as your valuable contribution. Upon retirement, individuals who are aged 55 or more and who have 10 or more years of service will:

- Be presented with a framed letter, signed by the Managing Director
- Have a buffet to a total value of £100 (food and soft drinks only) hosted in a NHC meeting room, to be paid for directly by NHC (e.g., line manager's purchasing card). Where relevant, the Council will arrange with HMRC to fund employee income tax and national insurance.
- £50 Lifestyle Voucher

9. Appeals

If you are dissatisfied with a decision in relation to a proposal you have made to work more flexibly in the lead up to retirement, you have the right to appeal, using the Appeals process set out in the Flexible Working Policy.

10. Further information

Please note that this Policy gives details in terms of your employment at the Council and contractual options for retirement. It does not give an entitlement to, or information on retiring with either a state or occupational pension. Guidance on state pensions can be received from [Check your State Pension age - GOV.UK \(www.gov.uk\)](http://www.gov.uk) and advice about your occupational pension can be sought from your pension provider. If you are a member of the Local Government Pension Scheme you are advised to seek advice about the impact of your planned retirement date on your pension benefits. This is particularly important if you plan to retire either earlier or later than the retirement age of the LGPS. Information on pensions can be obtained from the Local Pensions Partnership Administrator, LPPA: [Members • Local Pensions Partnership Administration \(lppapensions.co.uk\)](http://lppapensions.co.uk)

11. Linked Policies and Procedures

Right to Request Flexible Working

12. General Principles

Equal Treatment

The aim of the policy is to ensure that employees receive fair and consistent treatment. The policy applies equally regardless of age, sex, race, disability, religion or belief, sexual orientation, gender reassignment, marriage, civil partnerships, and pregnancy.

HR Advice

HR should be contacted for advice and guidance where required:

Hrhelp@north-herts.gov.uk