

Retirement Policy

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

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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 now 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 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 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*. An individual can "retire" giving appropriate notice as with a resignation at any time or at any age; however, the date they can take their pension is dictated by their pension scheme. The age at which an individual can draw a state pension may also vary.

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.

An employee who is planning to retire will often have considerable knowledge in relation to their role and responsibilities. Prior to retirement, employees should cooperate and assist their line manager by:

- providing full written details of the status of work projects and future steps;
- updating the job description, including key activities 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 retirement notice managers should meet with the individual 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) these should be considered if applicable.

4. Flexible Working Options

All employees have the right to request to work flexibly and those approaching age 65 (or those working beyond the age of 65) may wish to change the way they work before stopping work altogether. In addition to working from home and using flexi-time, flexible options could include: part-time working, compressed hours, term-time working, staggered hours, or annualised hours. Please refer to the Right to Request (Flexible Working) policy for more details.

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 seek consent via their Service Director. 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: Those on working beyond age 65 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. For those who opt out of the LGPS will not normally be able to draw their pension until retirement.

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

7. Advice and support

Approaching retirement can be a life changing event and it is natural to be a little apprehensive about such change. Managers should ensure that employees are aware of the advice and guidance that is available to help them prepare for retirement. The correct time to seek advice and support will depend on individual circumstances, although many people find it helpful to start making plans five years before their planned retirement date (or even earlier).

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 retirement, but it can be attended at anyone who wants to plan for their future.

The Council's free and confidential employee assistance service can also provide advice about retirement. Contact details can be found on the intranet.

8. Retirement Recognition

The Council like to recognise the service and the valuable contribution for retiring employees. For individuals who are aged 55 or more and who have 10 or more years of service, the following is provided as retirement recognition:

- A message of thanks from the Managing Director and the relevant Strategic Director
- £50 Lifestyle gift voucher, which can be used on a large number of retail, cinema, holiday, dining or pub brands.

9. Appeals

Where an individual is unhappy with a decision in relation their request to work more flexibly in the lead up to retirement, they should follow the Appeals process set out in the Right to Request (Flexible Working) policy.

10. Further Information

Please note that this policy gives details of retirement in terms of employment and contractual options at the Council. Information on state pensions is available from <https://www.gov.uk/state-pension> and information about the Local Government Pension Scheme can be found on the Local Pensions Partnership website <https://www.lppapensions.co.uk/members/retirement/>.

11. Linked Policies and Procedures

Right to Request (Flexible Working)

Flexi-time

Employee Handbook

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. The Equalities Act 2010 recognises that treating all employees the same can penalise those employees with a disability.

HR Advice

HR should be contacted for advice and guidance where required. Hrhelp@north-herts.gov.uk x4556