



## Retirement

### Scope

North Hertfordshire District Council acknowledges that changes in demography, government policy and employment patterns mean retirement is now being looked at in a different light to the past. The Council is committed to offering retiring employees support and flexible options to make their transition from working life to retirement an enjoyable one and has developed a retirement policy to make the best use of its existing resources. This will assist in ensuring the authority is successful in retaining and fully utilising the skills and talents of older employees in an increasingly competitive market.

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 both employees and the Council.

### Applicable to:

**ALL ( ) Non-management (X) Management (X) Members ( )**

### Policy

#### 1. Retirement

Since 1<sup>st</sup> October 2006 employees have been protected from age discrimination. By law from April 2011 there has been no set retirement age. This means those who wish to retire when they reach the age of 65 years are still entitled to do so but there are several options open to employees reaching what was previously considered to be the retirement age of 65.

The changes in legislation mean that whilst employees can still retire when they reach age 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.

An important distinction to note is the difference between retirement age and your pensionable retirement age. You can leave employment at any age; however, the date you can retire and take your pension is dictated by your pension scheme.

There may also be a difference between the age you can draw your state pension and any occupational pension that may be due to you.

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 the Directgov website 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 which is 65. Information on pensions can be obtained from the Pension Scheme Administrator, LPFA. Contact details can be found on the Local Government Pension Scheme page of the intranet and there is a link to this on the Retirement page of the intranet. Information can also be obtained from the LGPS website and the address for this is given at the end of this policy.

## **2. Retirement Age**

NHDC no longer has a contractual retirement age. This means that if an employee wishes to continue working beyond age 65 they can do so. It does not mean that staff have to work longer; it means that they can if they chose to do so. An employee can “retire” at any time giving their contractual notice period as they would to leave employment at any time or age. However if an employee is a member of the LGPS they cannot receive a pension before age 55 and even in this case they need the Council’s consent to do so, including where they meet the 85 year rule.

For further information on the rule of 85 and your LGPS pension benefits and options contact the LGPS Administrator, LPFA.

### **2.1 Retirement Process – Employees Actions**

An employee wishing to retire should confirm their resignation by reason of retirement in writing giving a minimum of their contractual notice period unless otherwise agreed by their line manager. Details of notice periods are given in the Notice Periods Policy available on the intranet. Whilst the notice given must be at least the same as the notice required to resign from employment, employees are encouraged to give an early indication of their planned retirement date. On receiving the appropriate leavers documentation, Payroll will inform the LGPS Administrator to ensure any pension arrangements are enacted.

An employee who is shortly to retire will often have considerable knowledge in relation to their role and responsibilities. The Council may require the employee’s assistance and cooperation for succession planning. Prior to retirement, employees 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.

### **2.2 Retirement Process – Managers’ Actions**

Throughout an employee’s time at the Council, appraisals and regular one to one meetings will occur to discuss the employee’s performance, developmental or training needs and the Council’s and employee’s future plans and expectations in the short, medium and long-term. During those meetings, employees may discuss their future plans or proposals for retirement. Such a discussion about possible retirement should not result in the Council making any assumptions about the employee’s commitment to the Council. The Council seeks to retain the best talent, including older employees. These discussions are an informal opportunity for both the Council and employees to plan jointly for the future.

On receiving notice that the employee wishes to retire the line manager should then 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 or less 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) should be applied if managers have concerns in any of these areas.

### **3. Flexible Working Options**

Those continuing to work beyond age 65 have the right to request to work flexibly under the Council's Flexible Working Policy. This enables employees to request a variation to their contract to amend the total number of hours worked, the times they 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, compressed hours, home working, term-time working, shift working, staggered hours, or annualised hours. More details are available on the Flexible Working page of the intranet.

As with all NHDC employees, those continuing to work beyond age 65 can be considered for flexi-time or job sharing. More details of these policies can be found on the relevant pages of the intranet.

Besides the options above, some employees approaching or working beyond the age of 65 might wish to change the way they work as they approach retirement by moving to a different or lower graded post. Employees interested in this option should discuss this with their manager and can also refer to Job Search for current job opportunities. If the individual wants to pursue this option, the manager (with HR advice), should then assess the available options to determine if they are operationally viable. Options may include changing their existing post to accommodate the request where appropriate, reducing hours or supporting the employee in applying for alternative posts within NHDC via the normal recruitment process.

### **4. Implications**

#### **4.1. Pension Implications for LGPS members**

##### **4.1.1 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 75<sup>th</sup> 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.

##### **4.1.2 Flexible Retirement**

Under the LGPS flexible retirement occurs where an employee draws their pension and carries on working at a lower grade and/or on reduced hours. It is available to LGPS members who are aged 55 or over, and who, with the Council's consent, permanently significantly reduce their hours and/ or reduce their grade. Subject to employers consent, such employees will be able to draw their local government pension whilst continuing to work. However it should be noted that an employee's pension will be actuarially reduced if paid before age 65.

For further information on your LGPS pension benefits and options contact the LGPS

Administrator, LPFA.

#### **4.2 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 (except that the Council's Group Personal Accident policy has an upper age limit of 75 years). 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.

#### **4.3 Staff Benefits**

Entitlement to staff benefits (apart from the Group Personal Accident Scheme as mentioned above) will not be affected by taking up the options available as you approach retirement or work beyond age 65. In respect of Personal Accident insurance it is possible that cover can be extended beyond the age limit of 75 but this is entirely dependent on what is available in the insurance market and so is beyond the Council's control. You should contact the Performance and Risk Manager if you are approaching your 75th birthday to see if cover is available.

Further details about Staff Benefits can be found on the Staff Benefits page of the intranet.

#### **4.4 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.

#### **5. Support**

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

Details of pre-retirement seminars are available from the HR Development team and via the Learning menu on the Intranet. It is recommended that this course should be attended a minimum of 2 years before an employees 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 the HR Department via the HR Helpline on 4556 or e-mail [Hrhelp@north-herts.gov.uk](mailto:Hrhelp@north-herts.gov.uk).

#### **6. Retirement Recognition**

NHDC would like to recognise an individual's service, as well as their 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 Chief Executive
- Have a buffet, for up to 20 people
- Receive vouchers or a gift, up to the value of £50. Colleagues can choose which type of voucher they think the individual would prefer.

### 7. Appeals

Where an employee is dissatisfied with a decision in relation to a proposal they have made to work more flexibly in the lead up to retirement, they have the right to appeal, using the Appeals process set out in the Flexible Working Policy.

### 8. Further Information

Guidance on state pensions can be received from the Directgov website, the address for which is given below. Advice about your occupational pension can be sought from your pension provider. If you are a member of the Local Government Pension Scheme information can be obtained from the Pension Scheme Administrator, LPFA. Contact details can be found on the Local Government Pension Scheme page of the intranet and there is a link to this on the Retirement page of the intranet. Information can also be obtained from the LGPS website and the address for this is given below.

Alternatively, please contact the HR Department via the HR Helpline on 4556 or e-mail [Hrhelp@north-herts.gov.uk](mailto:Hrhelp@north-herts.gov.uk).

#### Links to relevant information:

##### Policies:

Notice Periods  
Flexible Working  
Job-Share  
Flexi-time

##### Standard documentation:

##### Employment Law:

#### For further advice contact :

Assistant HR Advisor  
HR Advisor  
Employee Relations Officer  
Corporate Human Resources  
Manager



Employment Equality (Repeal of Retirement Age Provisions) Regulations 2011  
Employment Equality (Age) Regulations 2006.  
European Union's Framework Directive for Equal Treatment on age, 2006  
Employment Act 2002

**Other:**

Directgov website:

<http://www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/index.htm>

LGPS website:

<http://www.lgps.org.uk>

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October 2011

**To be reviewed no later than :**

October 2014

**Equality Impact Assessment**  
Required

**EIA**

Level 1 completed August 2011.  
Review August 2014

**Policy Sponsor :**

Corporate Human Resources  
Manager