



Flexible Retirement Policy

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1. Introduction

- 1.1 BASE Academy recognises the workforce as a vital asset. The academy aims to encourage access to flexible retirement to support employees to work flexibly and improve work life balance before making the transition to full retirement, whilst retaining valuable skills, knowledge, and experience for longer and enabling services to plan for the future.
- 1.2 This policy outlines the academy's flexible retirement options and the processes to be followed for applications.
- 1.3 The policy applies to employees who are in the Local Government Pension Scheme (LGPS) who are aged 55 years or over and is subject to any eligibility criteria relating to the scheme.
- 1.4 The policy details are correct at the time of writing and should be read in conjunction with the policy on discretionary areas. Access to benefits and other pension scheme rules may change from time to time and the policy is subject to the relevant legislation in place. The policy does not substitute professional advice which may be sought independently.
- 1.5 The policy has been drafted in consultation with Trade Union colleagues, the Corporate Leadership Team, the Pensions Team and Information Governance.

2. Principles

- 2.1 Flexible retirement is designed to help ease individuals into retirement by enabling them to continue to work either with reduced hours or in a lower graded post whilst accessing their pension. If they wish, they may elect to build up further benefits in the LGPS based on their new working arrangements.
- 2.2 In line with the discretions policy, the academy will consider flexible retirement requests from employees where there is a reduction of 20% or more of their working hours or salary.
- 2.3 The LGPS provides for scheme members who are aged 55 years and over to reduce their hours or grade with their employer's consent and elect for their pension benefits to be paid to them whilst they remain in employment.
- 2.4 The academy will consider applications on an individual basis. There is no automatic right for employees to continue in employment working reduced hours or on a reduced grade whilst drawing pension benefits. However, all such requests will be given due consideration by the Line Manager/Head of Service with final approval provided by the relevant Director. Where necessary further advice and support can be obtained from the relevant HR Section.
- 2.5 The proposed reduction in hours or grade required to facilitate flexible retirement must also be compatible with the requirements of the academy and the needs of the service. The required reduction in hours or grade will only be approved provided it does not adversely affect the service in which the employee is employed.
- 2.6 In accordance with the discretions policy, the academy will generally expect employees under the age of sixty to draw all LGPS benefits including additional benefits upon accessing flexible retirement. Part payment of pension may be considered in exceptional circumstances, taking account of the financial and operational interests of the academy. Employees over sixty may take part of their post 31/3/2008 benefits if there are no financial costs to the academy. Details of the flexible retirement pension draw down rules are attached at appendix A.

- 2.7 The cost of the strain must be mitigated by the salary saving over a period determined by the academy or an alternative means of meeting the cost must be identified by the service or department.
- 2.8 Any requests for a reduction in working hours or reduction in grade with release of pension will be regarded as a permanent change to the employment contract and there will be no right to revert back to the former arrangements.
- 2.9 Employees can only make a request for flexible retirement once in any 12-month period.
- 2.10 If an employee wishes to withdraw a request for flexible retirement at any stage in the process, they must do so in writing to their line manager who will notify the other parties involved. Once an employee has withdrawn their request, they will not be able to make another request until 12 months from the date their original request was made.
- 2.11 All information pertaining to flexible working applications will be handled sensitively and used only for its proper purpose in accordance with the academy's Privacy Notice. Under the General Data Protection Regulations individuals have the right to see their own personal data held, subject to the rights of confidentiality of any third parties involved in that information.

3. Continued LGPS membership

- 3.1 Individuals who take flexible retirement and continue working for the academy will continue contributing to the LGPS unless they choose to opt out of the scheme. This will start a period of building up new and unrelated membership benefits. Pension accrued from membership after flexible retirement will be governed by the scheme rules which apply at the time.
- 3.2 Employees who are granted flexible retirement should be aware that if they are awarded retirement on the grounds of ill health in the future any payments would be based on the new pension membership only. In the event of a death in service the lump sum would also be based only on the new pension membership.
- 3.3 Employees who are granted flexible retirement should also be aware that if they are subject to redundancy the pension release would be based on the new pension membership only. If the employee chose not to continue contributing to the LGPS scheme they would be eligible for a redundancy payment only.
- 3.4 There is no requirement or option for employees to have a break in service when they are taking flexible retirement.

4 Procedure

- 4.1 There are two options available for employees wishing to apply for flexible retirement:
- a reduction in working hours in the current role
 - a change of job to a lower graded role.

Employees cannot make a retrospective request for pension access following a previous reduction in hours or grade.

Reduction in working hours

- 4.2 An eligible employee can opt to request an appropriate and manageable reduction in their normal working hours. The minimum reduction in working hours for the purposes of flexible retirement is

20% of their normal working week or comparable period if the employee works a shift pattern or annualised hours etc.

- 4.3 Employees whose application is approved may not apply in future for an increase in their hours until the period over which the cost of the strain is met has ended or for 12 months from the date of the change, whichever is longer. Any available hours must be advertised in accordance with agreed policies and processes to ensure other employees are not disadvantaged.

Change of job to lower graded role

- 4.4 An eligible employee can apply for a lower graded post in accordance with the academy's Recruitment and Selection Policy. To meet the 20% reduction in salary this is likely to require a two-grade drop and more for those on higher grades. Employees should check this with their HR team before applying for vacancies.
- 4.5 Selection for a post must be in fair and open competition with other applicants. Eligible employees must apply for flexible retirement at the same time as applying for the new role and the flexible retirement approval will be subject to successful appointment to the role. Timing in this situation will be key and all parties should work together to facilitate both applications.
- 4.6 In a limited number of circumstances it may be possible for an employee's job role to be changed and downgraded, where the service is undertaking a restructure and the change to the duties fits with service need and the provisions of the academies restructure procedures without disadvantaging the other employees affected.

Making an application

- 4.7 Prior to making an application, employees must ensure they are fully aware of the implications should their application be approved. Information about pensions, including flexible retirement, and indicative pension entitlement figures can be accessed on the [Greater Manchester Pension Fund \(GMPF\) website](#). Information is also available from the academy's Pension Team and employees with TU membership may wish to contact their local representative for advice. Employees also may wish to obtain their own independent, professional pension or financial advice and should ensure this is from a reputable source.
- 4.8 An employee who wishes to apply for flexible retirement must discuss their request with their line manager in the first instance. Following these discussions, and subject to the line manager agreeing in principle to the flexible retirement request, the line manager and employee will complete a Pensions Estimate Request Form (Appendix C) and send it to the academy's Pensions Team to request a pension benefits statement. At this point, the Pensions Team will also provide the line manager with details of any costs to the academy of releasing the pension. Where necessary further advice and support can be obtained from the relevant HR Section.
- 4.9 If, upon receipt of their pension benefits statement, an employee wishes to make a formal application for flexible retirement, they should do so in writing to their Line Manager clearly stating the details of their request including proposed commencement date, revised working pattern any and other relevant information relating to the application.

Consideration of requests

- 4.10 The line manager will make an initial consideration of a flexible retirement request in conjunction with the Head of Service and where appropriate, relevant HR Section. Some or all the factors outlined below, as appropriate, should be considered and documented:
- Burden of costs to the academy, how this will be met from the reduction in hours or pay and over what period of time, or the alternative method of meeting the strain.

- The benefit to the academy of retaining valuable skilled employees who may otherwise leave their job
 - The opportunity to support organisational change by providing an alternative option to redundancy and associated costs.
 - The opportunity to support the completion of specific long-term projects, for which an individual has relevant skills, knowledge, or expertise.
 - The opportunity to offer improved succession planning.
 - The opportunity to develop capacity for older workers to act as mentors.
 - The opportunity to develop a balanced age profile within the workforce whilst also retaining older workers and their skills, knowledge, and expertise.
 - Whether work can be re-organised amongst existing employees
 - What tasks / duties will cease or diminish to support the request
 - Whether recruiting additional staff is a viable option
 - What the impact will be on quality, performance, or capacity within the service
 - Whether the employee's requested work pattern meets the needs of the service
 - In the event of an application to reduce salary, the likely availability of suitable vacancies
 - Whether there are specific grounds for compassion.
- 4.11 Once the relevant factors have been considered, the Line Manager/Head of Service and where appropriate relevant HR Section will decide whether the application can be supported or not and notify the employee. If the application is not supported, a meeting with the employee will be organised so they can be advised of the reasons. The meeting also provides an opportunity to consider alternative options or potential modifications to the application if any exist.
- 4.12 If the employee still wishes to continue with the application, the line manager will complete the Request for Approval by Director Form. The form will include details about whether the application is supported or not with the reasons, how the cost will be met and any other relevant information.
- Approval**
- 4.13 The Director will review the information provided in the application (attached at Appendix B) and decide whether to approve the application or not.
- 4.14 Employees whose applications receive approval will be advised together with the effective date of change in writing. The line manager will also notify the Pensions Team in order for the pension release to be progressed.
- 4.15 If an application for flexible retirement is rejected the employee will be notified in writing with the clear business reasons that prevented their application from being approved.
- 4.16 The Directors decision is final.

Appendix A – Flexible Retirement Draw Down Rules.

- A. A person flexibly retiring does not have to draw on all of the benefits they have built up at the point of flexible retirement. The member can choose to take:
- i. **Pre 01/04/2008 benefits:** The member must take all of their pre 01/04/2008 benefits. Partial draw-down of these benefits is not permitted. *(So, members can take the total (whole-time equivalent) membership up to and including 31 March 2008, excluding any relevant service arising from extra benefits listed in iv) below, but including any transferred-in service and employer augmentation (pre-2008 service); plus*
 - ii. **01/04/2008 to 31/03/2014 benefits:** The member can elect to draw-down all, some or none of their 01/04/2008 to 31/03/2014 benefits. *(Excluding any relevant service arising from extra benefits listed in iv) below, but including any transferred-in service and employer augmentations (2008-2014 service)); plus*
 - iii. **Post 31/03/2014 benefits:** Members can elect to draw-down all, some or none of their post 31/03/2014 benefits. (So, members can choose to take the total benefits arising from membership between 01/04/2014 and the date of flexible retirement, excluding any benefits arising from extra benefits listed in iv) below, but including any transferred-in service and employer augmentations (post-2014 service); Extra benefits: any extra benefits in accordance with actuarial guidance issued by the Government Actuary's Department (GAD). Extra benefits are:
 - iv. **Added years' contracts** being bought by the member: Added years' contracts with an election date before 01/10/2006 must end and the resulting benefits must be taken on flexible retirement. For added years' contracts with an election date after 30/09/2006, the member has a choice whether to take all or none of the extra benefit.
 - v. **Additional voluntary contributions (AVCs):** AVC contracts entered into before 13/11/2001 must end and the resulting benefits must be taken on flexible retirement. For AVC contracts that began on or after 13/11/2001, the member has a choice whether to take all or none of the extra benefit. If the member chooses to take all of their AVCs at flexible retirement, their existing contract must end. However, if the member wished to remain in the Scheme after flexible retirement (where you are treating as a new employment contract or a variation to the contract) and wished to continue to pay AVCs, more AVCs could be paid, **but** the AVC arrangement would be treated as a post 31 March 2014 arrangement.
 - vi. **Extra pension** bought by **additional pension contributions (APCs)** or **shared cost APCs (SCAPCs):** The member has a choice whether to take all or none of the extra benefit. If the member chooses to take benefits from an extra pension contract, their existing contract must end. However, a new extra pension contract could begin after flexible retirement if the member decides to stay in the Scheme (where you are treating as a new employment contract or a variation to the contract).
 - vii. **Extra pension** bought by **additional regular contributions (ARCs):** The member has a choice whether to take all or none of the extra benefit.
 - viii. **Extra pension given by you, as the employer:** The member has a choice whether to take all or none of the extra benefit.

Appendix B – Request for Approval by Director

Request for Approval by Director

Directorate: _____ **Service:** _____
Line Manager: _____ **Date:** _____
Assistant Director: _____ **HR Lead:** _____

Employee			
Job title			
Employee number		Proposed last day of service	
Length of Service		Age	
Grade		Salary	
Contracted hours		FTE	

Grounds for request (please mark appropriate box): -

Efficiency of service:		Flexible retirement:	
With redundancy:		Early Retirement 'other':	

Rationale	<i>Examples to include in rationale:- Brief details of efficiencies, will post be kept on establishment? Will post be recruited to? If no, what work will cease / diminish? What impact will this have on remaining staff / the service? What will it cost the department over 3 years (capital cost etc)? How will this cost be met? Other relevant info</i>
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Pension Per annum	Lump Sum	Redundancy	Cost to the department total	Cost to the department annual

Agreed by Line Manager / Head of Service: -

Signed		Date	
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Agreed by Director: -

Signed		Date	
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Appendix C: Request for Pension Estimate

Reason for estimate:

Efficiency of Service:		Flexible retirement:	
Redundancy Retirement:		85 Year Rule switched on:	
Early Retirement Employee Choice (Employee to suffer reductions):			

NB: HR to complete relevant personal details; Pensions to complete pension & redundancy information.

Submitted by:

Return to:

Proposed last day of service:

Date estimate required by:

Personal details

Full name			
Employee no.		NI no.	
Post title			
Date of birth		Age	yrs mths
Date of continuous LG service			
LG service	yrs	mths	
Start date with Bolton Academy			
Service with Bolton Academy	yrs	mths	
Notice entitlementmths / weeks (<i>delete as appropriate</i>)		

Pension details (provisional only) To be confirmed on retirement

Pensionable service	yrs	mths
Pensionable salary (p.a.)	£	
Capital cost of basic pension	£	
Pension payable (p.a.)	£	Lump sum £

Redundancy (complete if applicable)

Contractual salary (p.a.)	£	1 week's pay	£
# of weeks redundancy		Redundancy pay	£

Employee Consent:

I give to all parties involved, to have access to my pension and lump sum details for 6 months from the date of this consent.

Signed:

Dated: