



Flexible Retirement Policy Local Government Pension Scheme

1. Introduction

South Lanarkshire Leisure and Culture recognises that many employees are electing to remain in the workplace longer. In 2006 changes to the Her Majesty's Revenues and Customs tax and pension regulations gave employers the option to allow employees to draw their pension benefits whilst remaining in employment in a reduced capacity. This is known as 'flexible retirement', the purpose of which is to give pension fund members greater flexibility and choice and allowing them to ease into retirement.

The Employment Equality (Age) Regulations 2006 which came into force in October 2006 introduced a duty to consider requests to work beyond normal retirement age. This provision has been removed, and from 1 October 2011 the Default Retirement Age (DRA) has been abolished. In line with, these regulations, the Council retirement age has also been removed, allowing employees to choose the age and date of their retirement to reflect their own personal circumstances. This change has no impact on pension benefits and from age of 65, pension scheme members can receive their occupational pension without reduction.

2. Criteria

In terms of entitlement to apply for flexible retirement and access some or all of the accrued pension benefits, the conditions of access will be governed by the relevant pension scheme regulations. There are certain criteria which an employee must satisfy to be eligible for flexible retirement:

- 2.1 Flexible retirement is aimed at those pension scheme members who are approaching the normal pension scheme retirement age of 65. Members who wish to ease into retirement can apply for flexible retirement at any time from age 60.
- 2.2. Employees seeking flexible retirement will be required to obtain agreement from their employing resource. They will also be required to reduce their contracted weekly hours by at least 25%.
- 2.3. The cost of any actuarial reduction under the relevant pension scheme must be borne by the employee.
- 2.4 Flexible retirement requests that result in a strain on the fund to the council will not be granted. Consideration will only be given to the cases where these costs have been incorporated into the actuarial reduction (on the basis that there will be no cost to the Trust).

3. Making a Request

Applications for flexible retirement will be dealt with under the principles of the Trust's flexible working policies and any proposed reduction must be acceptable in terms of the operation of the service.

- 3.1. Employees should submit their request for flexible retirement to their Head of Service which must contain the following information:
- Details of the reduction in contractual weekly hours.
 - Details of the percentage of their accrued benefits the member wishes to access.
 - The date from which it is proposed to become effective.
 - How the employee meets the criteria outlined in paragraph 2 above.

Depending on the complexity of the arrangements to be made, and the nature of the employee's work, the Trust may convene a meeting with the employee within 28 days of receipt of the request. The purpose of this meeting is to explore the feasibility of the request in depth and discuss how it may be accommodated or to consider alternatives. An employee may be accompanied at this meeting by their trade union representative or other suitable person, if wished.

- 3.2 All requests must be approved by the Company Secretary using the Member Declaration Form.

4. Notification of decision

The employing Resource will give the employee written notice of its decision on the application within 28 days of receipt of the request or within 14 days of any meeting.

Where the request is agreed, the Trust will confirm the change to the employee's terms and conditions and the date from which it is to take effect. In line with SPFO and SPPA notification requirements, the pension fund office must be given at least three months prior notification of any retirement using the appropriate forms. In exceptional circumstances retirements may be processed out with this timescale providing that, at least one month's prior notice is received.

In the event that the Trust decides to refuse the request, the employee will be advised, in writing, of the grounds for refusal and their right of appeal.

No request will be refused without a meeting having been held, as set out above, to allow for a full discussion of the request and to explore suitable alternatives.

5. Right of Appeal

There are two routes of appeal dependent on the nature of the flexible retirement request. Appeals in relation to flexible working arrangements will be heard within the employing Resource in accordance with the appeal arrangements set out in paragraph 5.1. Appeals regarding access to pension benefits will be heard within Corporate Resources as set out in paragraph 5.3.

5.1 Flexible working appeals

Employees have the right to appeal to a more senior manager in the employing Resource who has not previously been involved in the matter. An appeal should be submitted in writing stating the grounds, to the Head of Service (or nominated senior officer), within 14 days of the date of receipt of the decision. Where the appeal is not upheld, the letter advising the employee will state the grounds for the decision and will be copied to the Executive Director (Corporate Resources).

If the employee is not satisfied with the outcome of their appeal they may submit a complaint in writing to the Executive Director (Corporate Resources) within 14 days requesting that the matter be heard by the Grievance and Disputes Panel.

5.3 Access to benefits appeals

If the member disagrees with a decision made by the Trust in relation to accessing their pension benefits, their complaint should be made in writing to the Corporate Personnel Manager, Corporate Resources, within six months of the decision. If the employee is not satisfied with the outcome of their appeal they may submit their appeal to the Scottish Ministers.

Disagreements regarding decisions made by the pension administrator should be directed to the Chief Pensions Officer, Strathclyde Pension Fund Office.

6. Contractual Issues

Where flexible retirement has been agreed, the employee will be issued with a new appointment letter and schedule of terms and conditions. Arrangements to adjust employees' pay, annual leave etc will be made to reflect the new working arrangements. While continuity of service will be retained, any personal preservation applying to the employee will cease upon commencement of the flexible retirement arrangement.

It is the responsibility of the employee to take the appropriate advice in respect of the effect on pension benefits and the relevant scheme rules.