

Name of Policy: Flexible Retirement (non teaching)	Version/Last Review Date: January 2018 (V3)
Statutory documents linked to policy: Local Government Pension Scheme (LGPS)	Previous review date: May 2013 (V1) April 2014 (V2)
Other Policies linked to this policy: Approaching retirement Equal opportunities	Next Review Date: January 2021
Governor Committee Responsible	People & Resource Management

WNA Vision: All children will achieve their full potential, with holistic support, whilst enjoying and driving their own learning, gaining self-respect, self-esteem and self- belief. Our classroom extends to rich, exciting environments within the forest, the beach, the city and the community as a whole.

Aim

The purpose of this policy is to provide information to headteachers, governors and employees about the provisions to members of Support Staff who are members of the Local Government Pension Scheme to phase into retirement where this can be accommodated in the school budget and meets the needs of the school.

The discretion for the school to allow a member of Support Staff to access his/her pension but continue working on a reduced hours/grade basis is provided for in Regulation 35 of the Local Government Pension Scheme Regulations.

Scope:

This policy covers Support Staff aged 55 or over and who are active members of the Local Government Pension Scheme (LGPS) and have 3 or more month's pensionable service¹.

Support Staff who are not members of the Local Government Pension Scheme (but would have been eligible to join) and who wish to reduce their hours/grade in the approach to retirement, may make an application under this policy, however the provisions relating to the pension scheme will not apply to them and they should refer to section 5 of this policy.

The policy does not cover Teachers whose entitlements are covered by the national pension scheme provisions of the Teachers Pension Scheme.

Policy Provisions:

Flexible Retirement:

The normal retirement age of the LGPS is 65, although members of Support Staff may currently choose to retire and access their pension from age 60.

Flexible Retirement enables eligible members of Support Staff to retire partially by reducing their hours and/or salaries and draw their accrued pension benefits subject to certain qualifying criteria.

The benefits of flexible retirement to the school and the Support Staff members are as follows:

- Enabling the Governing Body to support members of Support Staff to phase into retirement, while ensuring the needs of the business are met
- Enabling the Governing Body to retain key members of Support Staff and facilitate knowledge transfer

¹ Pensionable service is service upon which a scheme member has made LGPS contributions.

- The individual's accrued pension will not be subject to abatement². However all employees should be aware that if flexible retirement is agreed before age 60 and/or if they have not met the rule of 85³, their pension will be actuarially⁴ reduced. The Governing Body will not bear the cost of the employee's actuarial reduction, except in very exceptional circumstances
- There is no requirement for the employees to break their continuity of service, so continuity of service is preserved for the purposes of calculating entitlements to certain contractual benefits and employment rights
- Employees can accrue a second pension in respect of their reduced hours/salary job.

Eligibility Criteria:

To be eligible to make a request for Flexible Retirement under the LGPS regulations, the member of Support Staff must:

- Actively be making contributions to the LGPS
- Be aged 55 or over⁵

² Abatement is usually applied to a pension in re-employment situations, it means that an individual's pension plus new salary cannot equal more than his/her rate of pay at retirement. If it does then the pension is reduced on a £ for £ basis.

³ Rule of 85 – If the employee's age plus membership in the pension scheme (each in whole years) adds up to at least 85 years, at the point the employee starts to draw his/her pension no reduction is applied to the retirement benefits. The rule of 85 does not apply to employees who joined the LGPS after 1st October 2006.

⁴ This is the reduction that is applied to an employee's pension if he/she retires before age 65 and has not met the rule of 85.

⁵ Under transitional protection employees who are members of the pension scheme on 31st March 2008, may apply for flexible retirement from age 50, providing their applications are made before 31st March 2010.

- Have three months or more pensionable service in the local government pension scheme
- Be taking at least a 20% reduction in their hours and/or substantive salary

Flexible Retirement will have a cost attached to it and therefore a business case must be made by the headteacher for approval by representative (s) of the Governing Body setting out the justification for supporting the flexible retirement

Conditions of Flexible Retirement:

If flexible retirement is agreed, it is on the understanding that:

Where flexible retirement is agreed before age 60 and/or if the employee has not met the rule of 85 his/her pension will be actuarially reduced. The Governing Body will not normally bear the cost of the employee's actuarial reduction:

- The Governing Body will only agree that full pension benefits can be drawn; part withdrawal of pension will not be permitted
- There cannot be a trial period for flexible retirement, because of the direct impact on pension benefits, business planning, management and other staff
- The employee accepts a permanent variation of hours/salary and all terms and conditions of employment will be adjusted accordingly
- Increases to hours or salary following flexible retirement will be permitted in certain circumstances, where it meets the needs of the school, and subject to the approval of representative (s) of the Governing Body.
- If, after being granted flexible retirement, an employee ceases employment and later joins any other LGPS employer this will be treated as re-employment and the pension granted at flexible retirement will be subject to the abatement provisions.

Process for making a request for flexible retirement:

Exploration of feasibility of Flexible Retirement:

Members of Support Staff considering making an application for flexible retirement should in the first instance discuss this with their Headteacher.

The Headteacher should obtain a quotation from Local Government Pension Scheme about the employee's projected benefits and cost to the Governing Body and information from payroll about what the employee's annual salary will be once the reduction in hours/salary has been applied. The projected benefits and revised salary information should be shared with the employee. It is recommended that employees seek independent financial advice before reaching a final decision to request flexible retirement. Enough time should be allowed to obtain this information.

The headteacher should give serious consideration to the employee's request. Part of the discussion should include exploring whether the employee's request could be accommodated through the use of the flexible working arrangements, should the request for flexible retirement be rejected. The costs of flexible retirement will be met by the school's budget so it is important to ensure that the costs can be met and justified.

Business Case:

If the headteacher agrees to support the individual's application for flexible retirement the Headteacher will prepare a business case, making the recommendation to the Chair of the Governing Body.

The business case should include details of the impact on service delivery, the benefit to the school as well as the individual and the associated costs.

If an employee's headteacher does not feel that there is a sufficient business case to support the employee's application for flexible retirement, the employee may appeal against this decision.

The appeal should be made in writing to the chair of the governing body setting out the business case for approval. The chair of the governing body will nominate another member of the Governing Body (who has not previously been involved in the decision) to review the decision.

Non-LGPS Members:

Eligibility Criteria:

A member of Support Staff who is not a member of the LGPS may also seek to reduce their hours/grade in preparation for retirement. However there is no entitlement to receive a pension from the local government pension scheme, as they are not scheme members.

To be eligible to make a request for Flexible Retirement an employee must:

- Be aged 55 or over (please note that if the employee is a carer of an adult or parent of a child under sixteen or eighteen if disabled, they have a statutory right to request to work on a flexible basis and the type of request they can make and procedure to be followed is described in the Statutory Request to Work on a Flexible Basis procedure)
- Have three months or more service with WNA
- Be taking at least a 20% reduction in hours and/or substantive salary

Conditions of Flexible Retirement:

- There cannot be a trial period for flexible retirement because of the direct impact on business planning, management and other staff
- The employee accepts a permanent variation to hours/salary and all terms and conditions of employment will be adjusted accordingly. The employee will not accrue an LGPS pension in respect of the varied hours/salary job, unless they opt to join the LGPS at that time
- Increases to hours or salary following flexible retirement will be permitted in certain circumstances, where it meets the needs of the business, and subject to the approval of a representative of the Governing Body.

Procedure for Making a Request:

The procedure for making a request is the same as for LGPS members (with the exception of requesting a pension estimate) and the steps outlined should be followed.