

# RENFREWSHIRE VALUATION JOINT BOARD



## FLEXIBLE RETIREMENT HR27

<b>Title</b>	Flexible Retirement
<b>Author</b>	Kate Crawford, Assessor
<b>Approved By</b>	Management Team
<b>Date of Approval</b>	17 <sup>th</sup> August 2018
<b>Reviewer</b>	Assistant Assessor
<b>Review Date</b>	As required

### Review History

<b>Review No.</b>	<b>Details</b>	<b>Release Date</b>
1	Review of Policy – no amendments	October 2023

<b>Contents</b>	<b>Page no</b>
1. Introduction	3
2. Purpose and Aims	3
3. Scope	3
4. Eligibility Criteria	3
5. Making a Flexible Retirement Request	4
6. Considering a Request and Reaching a Decision	4
7. Employee Considerations and Financial Advice	5
8. Confidentiality	6
9. Impact Assessment	6
10. Monitoring and Review	6

## **1. Introduction**

- 1.1 Renfrewshire Valuation Joint Board (RVJB) recognises the importance of supporting its workforce to achieve a balance between their work and home life during employment and in planning for the transition to retirement. Flexible retirement can also be helpful in supporting services to modernise and achieve the Board's strategic workforce planning objectives.
- 1.2 Flexible Retirement enables an active member of the Local Government Pension Scheme (LGPS), who is 55 years or over, has met the 2 years vesting period in the scheme and who agrees to a reduction in working hours or grade with the Board's consent, to elect to receive immediate payment of all or part of the retirement pension to which they are entitled to in respect of that employment.
- 1.3 All requests for flexible retirement will be considered in accordance with the Local Government Pension Scheme (Scotland) Regulations 2014 and the Board's Pension Discretions Policy. In determining requests, consideration will be given to requests being workable, affordable, reasonable and take account of any foreseeable costs to the Board.

## **2. Purpose and Aims**

- 2.1 The purpose of this policy is to support the Board to manage flexible retirement requests with a clear, fair and transparent process.
- 2.2 This policy aims to:
- Support employees with the transition to retirement;
  - Promote work-life balance and age diversity;
  - Retain skilled and experienced employees particularly in areas where the Board has hard to recruit posts;
  - Support services with organisational change and workforce planning approaches;
  - Encourage employees, where appropriate to consider alternatives to full retirement.

## **3. Scope**

- 3.1 This policy applies to all RVJB employees, aged 55 years and over and who meet the 2 year vesting period within the LGPS. This policy will exclude the Assessor & ERO.

## **4. Eligibility Criteria**

- 4.1 The Assessor & ERO or nominated senior officer will determine each request for flexible retirement on its own merits, carefully considering the potential benefits and impacts the request will have as detailed in Section 6.3 of this policy. There is no automatic right to flexible retirement.
- 4.2 Employees must meet and agree to the following eligibility criteria:
- Be at least 55 years of age and have met the 2 years vesting period within the LGPS and;
  - Reduce their hours of work by a minimum of 20% and maximum of 60% per week or reduce their grade.
- 4.3 A reduction in hours can be achieved in a number of ways. For example, reduced hours on specific days, or everyday, or reducing days worked in the week. The proposed reduced working pattern should be detailed in the request.
- 4.4 A reduction in grade must be to an established vacant post within the employee's team or section. In exceptional cases, a move to a post elsewhere within the service may be agreed. A reduction in grade may also be achievable through a service restructuring involving a redefinition of roles and grade reduction.
- 4.5 Strain on the fund pension costs associated with an employee partly retiring early will not be absorbed by the Board. Any request for flexible retirement which has a strain cost will only be approved provided the employee agrees to a reduction of their pension taking account of these costs.

## **5. Making a Flexible Retirement Request**

- 5.1 Employees should submit their request for flexible retirement to the Assessor & ERO in writing, providing the following information:
- The reasons for the request;
  - The required reduction in hours or grade;
  - The proposed start date of the arrangement;
  - The impact(s) the proposed request would have in their work area and on any areas of responsibility that they have.
- 5.2 All flexible retirement requests should be made at least 6 months in advance of when the arrangement is due to start. This will ensure that the relevant pension fund, payroll and operational arrangements can be put into place.

## **6. Considering a Request and Reaching a Decision**

- 6.1 The Assessor & ERO or nominated senior officer should hold a meeting with the employee to discuss the request. The purpose of this meeting is to discuss the request in detail ensuring all facts are gathered or where appropriate consider alternatives to flexible retirement.
- 6.2 A decision on the request should be made by the Assessor & ERO or nominated senior officer within 28 days following the meeting.
- 6.3 The Assessor & ERO or nominated senior officer should consider the following before making the decision:
- The benefits of approving the request, for example retention of key skills and expertise allowing for effective workforce planning;
  - All cost implications. Pension calculations from Strathclyde Pension Fund Office should be requested;
  - The operational impact on service delivery and whether there is a need to redesign or redistribute work;
  - Any compassionate reasons for the request;
  - The impact on the structure and any line and team management responsibilities;
  - Any statutory duties in which a reduction in grade may impact on;
  - Any suitable alternatives to flexible retirement.
- 6.4 The employee will receive written confirmation of the decision once all the relevant information has been obtained. If flexible retirement is agreed, a meeting will be arranged with the employee to ensure that the relevant pension fund and payroll documentation is completed. Once arrangements are in place, a variation to the contract of employment will be issued to the employee. Adjustments to the employee's terms and conditions, pay, annual leave entitlement, responsibilities etc will be made to reflect the new flexible working arrangement.
- 6.5 Should the request be refused, the employee will receive written confirmation of the decision from the Assessor & ERO or nominated senior manager explaining the business reasons for refusal. The Assessor & ERO or nominated senior manager's decision is final.
- 6.6 Membership of the LGPS will continue if flexible retirement is approved, unless employees choose to opt out of the pension scheme.

## **7. Employee Considerations and Financial Advice**

- 7.1 Employees are encouraged to seek independent financial advice before agreeing to any permanent, contractual employment changes which will affect their retirement plans. Also, employees should also consider the following before requesting/agreeing to a flexible retirement arrangement:

- Flexible retirement will be a permanent contractual adjustment until a final retirement date is agreed.
- Remaining in employment whilst in receipt of pension benefits may result in an employee earning the same or more than the full time equivalent salary for that role. This could also result in an employee paying a higher rate of tax dependant on the amount/value of pension benefit accessed.
- Employees will automatically re-join the pension scheme paying contributions on the reduced salary accruing new pension benefits which will become payable on full retirement. Employees who do not wish to re-join the pension scheme may opt out and no contributions will be deducted from their salary. This means that an employee will not receive any additional Local Government Pension Scheme pension when they retire fully and there would also be no death in service benefits. Opt-out forms are available from the pension scheme provider: [www.spfo.org.uk](http://www.spfo.org.uk).
- Employees who retire before their earliest retirement date (unless transitional protection arrangements apply) should be aware that this will result in their pension benefits being reduced (actuarial reduction).

## **8. Confidentiality**

- 8.1 Information relating to flexible retirement requests will be recorded, maintained and processed confidentially and securely by Renfrewshire Valuation Joint Board. Information processed may include manual or electronic records and will be done so in line with the General Data Protection Regulations and will be used only to monitor the effectiveness of this policy. Information will not be divulged to third parties without written consent from the employee.

## **9. Impact Assessment**

- 9.1 This policy has been impact assessed in line with the Board's obligation to comply with the Equality Act 2010 and the Public Sector Equality Duty.

## **10. Monitoring and Review**

- 10.1 This policy will be reviewed regularly and in line with any legislative and organisational changes. The recognised trade unions will be consulted on any future changes to this policy.