



HOUGHTON REGIS TOWN COUNCIL

Retirement Policy & Flexible Retirement Policy

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1. Policy Statement

- 1.1 The Town Council's policy is that employees may continue working until they give notice that they wish to retire. From 1st October 2011, the Town Council has not had a contractual retirement age.

2. Policy Principals

- 2.1 The Town Council values the contribution of all employees and seeks to maximize their potential, whilst allowing them flexibility and choice about when to end their career. This policy sets out the Town Council's approach to the retirement of employees.

3. Legal Background

- 3.1 The Equality Act 2010 makes discrimination in employment and training because of a person's age unlawful. This includes recruitment, terms and conditions, promotions, transfers and dismissals.
- 3.2 The Employment Equality (Repeal of Retirement Age) Regulations 2011 abolished the Default Retirement Age of 65 from 1st October 2011.

4. Giving notice of Retirement

- 4.1 Employees who wish to retire from their employment are required to resign and give notice of their intended date of retirement to their manager in writing. The length of notice must be not less than their contractual notice period.
- 4.2 Employees are encouraged to give an early indication of their planned retirement date as this will assist the Town Council in ensuring appropriate succession plans are in place prior to the employee's retirement.

5. Conditions of Service

- 5.1 All employees will continue to be employed on the terms and conditions of service applicable to the role they hold, therefore all the normal employment policies of the Town Council will apply.
- 5.2 The effect of this policy is that for employees who have a contractual retirement age stated in their terms and conditions of service, this condition is now removed.

6. Impact on Pensions

- 6.1 Employees who are members of the Local Government Pension Scheme (LGPS) may consider a flexible retirement pattern of work as an alternative to full retirement, and details of this can be found in the Flexible Retirement Policy.
- 6.2 Employees who are not members of the LGPS may request flexible working hours through the Town Council's Flexible Working Policy.

7. Policy Monitoring

7.1 This policy will be monitored and reviewed by The Clerk of Houghton Regis Town Council.

8. Retirement Process

8.1 Once an employee has decided that they wish to retire, they should inform the Clerk in writing of their intended retirement resignation date, in accordance with their contractual notice period.

8.2 The Town Council will write to the employee acknowledging receipt of the employee's notice of retirement resignation letter.

8.3 The Clerk will meet with the employee to discuss arrangements for leaving the Town Council, including the intended leaving date, succession and handover plans, pension details and flexible retirement, if applicable.

8.4 Once a leaving date has been agreed, the Town Council will write to the employee confirming their last date of employment, and the normal arrangements for leaving the Authority will apply.

8.5 The Clerk should complete Employee leaver Form and forward it to Central Bedfordshire wages and pension Department.

9. FLEXIBLE RETIREMENT POLICY

10. Introduction

10.1 The Town Council is committed to providing opportunities which enable our staff to make the best possible contribution to meeting our organizational goals. We recognise that, in order to remain an employer of choice, we need to provide employees with options and flexibility and to value their contribution.

10.2 In line with the Town Councils other policies regarding flexible working, the Flexible Retirement Policy aims to provide employees with options that enable them to achieve a better work-life balance.

10.3 This Policy is focused on employees who are considering their working options as they approach retirement. The alternative ways of working outlined can be of benefit to employees, who may wish to gradually move into retirement, and the Council, which retains valuable skills and knowledge which can be effectively transferred prior to an employee's retirement.

10.4 Flexible retirement will benefit the Town Council by;

- (a) Retaining experienced staff by providing a mechanism whereby they can continue employment thus aiding retention.
- (b) Enabling succession planning to fill the vacated hours.
- (c) Supporting our aim to be an employer of choice.
- (d) Supporting our flexible working policies and arrangements

- (e) Saving on recruitment costs.

10.5 The Council will, however, take the full cost and service implications into account when considering any application for Flexible Retirement.

11. Aim

11.1 The aim of this Policy is to set out a fair and consistent process for dealing with Flexible Retirement. Such a process will ensure that all requests for Flexible Retirement are considered with full account being taken of the benefits to the employee and the Town Council along with the costs involved. Flexible Retirement requests will only be agreed where there is a clear benefit for the Council.

12. Scope

12.1 This Policy applies to all employees of the Council. For the purpose of this policy, employees are as defined in section 230 of the Employment Rights Act 1996 or any substituting or amending legislation.

13. Definition

13.1 Flexible Retirement is the opportunity for eligible employees to continue in their employment with the Council, earning a reduced salary as a result of a reduction in working hours and/or grade while also receiving any pension benefits which have been accrued at that point.

14. Eligibility

14.1 In order to be eligible for consideration under the flexible retirement policy employee MUST:

- (a) Be aged 55 or over
- (b) Reduce their salary by at least 40% through a reduction in hours and/or grade. In exceptional circumstances a lesser reduction may be considered, though there must be a robust business case to justify this.
- (c) Be working in their substantive post e.g. not in a seconded post
- (d) Subject to any other specific requirement detailed within the Bedfordshire LGPS.

14.2 An employee who has previously been granted flexible retirement can apply for a further reduction in hours and / or grade subsequently.

15. Contractual Status

15.1 Where an application for Flexible Retirement is approved, a revised contractual letter will be issued setting out the new terms and conditions of employment. Unless otherwise stated, the change will be permanent and the employee will not have the right to revert to their previous working arrangement.

16. Application procedures

- 16.1 An employee who is considering the option of flexible retirement should have an early discussion with the Clerk. This will enable both parties to consider the most appropriate way forward.
- 16.2 Where flexible retirement appears to be appropriate, the Clerk will arrange for Bedfordshire Pension Fund to obtain an estimate of the employee's pension benefits. On receipt, the employee will be provided with a copy of their estimate and will decide whether or not to proceed with an application for flexible retirement.
- 16.3 Employees who decide to pursue an application must complete the Flexible Retirement Request form.
- 16.4 Employees should be aware that, if their application were agreed, it is possible that the residual hours of their post will not be filled. This may have an impact on their future role.
- 16.5 The form should be submitted to the line manager who must prepare a business case regarding the request. The business case should take into account the following:
 - (a) implications for the team / service
 - (b) needs of the service
 - (c) whether the request will enable the retention of valuable experience / knowledge
 - (d) whether the request will enable a successor to be identified and developed
 - (e) consideration of the impact of the request, taking into account pension benefits and reduction in earnings
 - (f) All cost implications.
- 16.6 The business case must also specify which of the following four options will be used to address a reduction in hours:
 - (a) delete the residual hours to achieve a saving;
 - (b) cover the hours, with a lower graded post, as part of a succession plan;
 - (c) make an appointment to the remaining hours
 - (d) cover the residual hours by overtime.
- 16.7 The Clerk will take this request forward to the Personnel Sub-Committee who will consider the flexible retirement request. They will take into account the employee's application and the business case.
- 16.8 If the employee has indicated, on the Flexible Retirement Request form, that they wish to be present at the meeting with the Personnel Sub-Committee, arrangements will be made to accommodate this.
- 16.9 Where the Personnel Sub-Committee support the application, the case must then be reviewed by the Full Town Council.
- 16.10 If the Personnel Sub-Committee do not support the application, the employee will be notified of the reasons for this in writing.

17. Appeal Procedure

- 17.1 The employee has the right of appeal against the decision not to support the application at this stage. The appeal should be made, in writing, to the Town Clerk within 5 days of receiving notification of the decision. The employee must set out the grounds of appeal in this letter.
- 17.2 Where the pension estimate indicates that the flexible retirement request would involve the Council in any further costs, the case must be reviewed by the Town Clerk or their nominee to ensure that all financial considerations have been assessed. Where the Town Clerk is satisfied that there are no further financial considerations, the application will be agreed and the employee will be notified of the outcome in writing. The employee will then be issued with a contractual letter.
- 17.3 If the Clerk has any concerns regarding the direct or indirect financial implications of the flexible retirement application, the case will be referred to the, Disciplinary, Grievance & Appeals Sub-Committee for a decision.
- 17.4 Where the pension estimate indicates that the flexible retirement request would have further cost implications for the Council, the case must be determined by the Disciplinary, Grievance & Appeals Sub-Committee. The employee will be notified of the outcome in writing. Where the application is approved, the employee will be issued with a contractual letter.
- 17.5 Where the Disciplinary, Grievance & Appeals Sub-Committee does not approve the application, the decision is final and there is no further right of appeal. The application has already been considered on two separate occasions at senior levels in the organisation and there is no requirement for a further review of the case.
- 17.6 Employees are able to reapply for flexible retirement after a period of 12 months from the date that their application was declined.

18. Policy Review

- 18.1 This policy will be reviewed every 4 years or as required by the Corporate Services Committee.