People Matter
Education, People & Business

East Dunbartonshire Council

Retirement Policy

Chief Officers, Craft & Local Government Employees

Education, People & Business

October 2019

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East Dunbartonshire Council
www.eastdunbarton.gov.uk

Contents

NOTE: This policy does not apply to teaching staff. The Scottish Teachers' Superannuation Scheme has separate arrangements and provisions. Further information can be found in Procedure Manual 2/36 Retirement Arrangements for members of the Scottish Teachers' Superannuation Scheme (STSS) and the Scottish Teachers' Pension Scheme (STPS).

1.0 POLICY STATEMENT

1.1 Retirement is a time of great significance in a person's life and East Dunbartonshire Council is committed to giving employees who are retiring a smooth transition from work to retirement, including a flexible approach to retirement.

1.2 The Council acknowledges the contribution of employees at all stages of their working life and has no set retirement age. The Local Government Pension Scheme (Scotland) Regulations 2018 allows employees to access their full accrued benefits at **state pension age.** Further information on how to find out your State Pension Age can be found in the Retirement Tool-kit.

1.3 Employees can continue to work past state retirement age and contribute to the LGPS up to the age 75 years. Employees must have their retirement pension paid from age 75 even if the employee remains in employment. Accrued pension benefits will be paid for the period up to the actual retirement date.

1.4 An employee who is not a member of the Local Government Pension Scheme (LGPS) can leave employment with the Council at any age through the resignation process, however if they wish to be treated as a retiral and access pre retirement leave option the employee has to be aged 55.

1.5 Employees can elect to retire from age 55 years onwards without the permission of the Council although their pension may be subject to actuarial reduction, in accordance with the provisions of the LGPS.

1.6 The policy aims to outline the options and flexibility within the retirement process and set out the principles and practices which the Council will adopt with regard to employees considering their retirement options. It is intended to give a framework for equity and fairness whilst giving employees greater flexibility in planning their retirement to meet their individual needs.

The primary aims of this policy are to:

- To provide managers and employees with a structured guide to prepare for retirement.
- To provide employees with information relating to the options available for full or flexible retirement.

2.0 SCOPE

2.1 The scope of this policy applies to all employees of the Council except those contracted to Teachers' terms and conditions.

2.2 In relation to Teaching Staff, the retirement options available are in accordance with Procedure Manual 2/36 Retirement Arrangements for members of the Scottish Teachers' Superannuation Scheme (STSS) and the Scottish Teachers' Pension Scheme (STPS).

3.0 REFERENCES AND RELATED DOCUMENTS

3.1 References and related document to this policy include:

- **Retirement Tool-kit**
- **Flexible Retirement Application Form**
- **Flexible Working Policy**

4.0 DEFINITION

4.1 For the purposes of this policy, a retirement is where an employee wishes to retire fully or continue working with the Council in some capacity and draw some or all of their pension benefits.

5.0 POLICY OUTLINE

5.1 Retirement Options

5.1.1 Before making any decisions on whether to retire fully or continue working with the Council and draw some or all of their pension benefits, employees should consider all their options and these are outlined in this section. In addition, employees should seek advice from the HR Case Adviser who can also, if requested, obtain provisional pension calculations on behalf of the employee from the Strathclyde Pension Fund – Employer Services. Employees can also access their pension record(s) online through SPF Online.

5.1.2 Employees who are members of the LGPS are required to give a minimum of 6 months' notice to ensure that retirement arrangements are in place at their date of retirement.

5.1.3 Under the LGPS (Scotland) Regulations 2018, employees will not be able to access their retirement benefits prior to age 55 without employer consent.

5.1.4 Further information on the LGPS can be accessed from the SPFO website: www.spfo.org.uk or by telephone on 0345 890 8999.

5.2 Flexible Retirement

5.2.1 The Council can exercise discretion to allow an employee to take Flexible Retirement (i.e. early payment of retirement benefits) if they have attained age 55, and with Council consent, reduce their working hours or apply for a lower graded post.

5.2.2 Flexible Retirement applies to all local government employees from age 55 who have 2 years' service within the Scheme or have transferred and aims to ease employees into retirement.

5.2.3 Employees must reduce their current working hours by at least **20%** or move to a lower graded role as part of normal recruitment procedures.

5.2.4 The Council recognises that, in appropriate circumstances, mutual benefits can accrue to employees and the Council from applying a Scheme of Flexible Retirement. Such a Scheme enables the Council to retain the skills and knowledge of an experienced employee whilst enabling the employee to wind down in the run-up to retirement.

5.2.5 A request for Flexible Retirement is a permanent change to the employee's contract of employment. Any reduction in contractual hours must be acceptable in terms of service delivery. These changes cannot be reversed. Employees cannot increase their hours or move to a post at a higher grade at any point in the future, where they have elected to take flexible retirement. However, employees can choose to reduce their hours again. This should be discussed with their line manager

5.2.6 To apply for Flexible Retirement the employee should in the first instance request figures through their HR Case Adviser. Flexible retirement requests that result in a strain on the fund will not be approved. Consideration will only be given to the cases where there are no additional costs to the Council.

5.2.7 Where employees wish to apply for Flexible Retirement, they should then complete a Flexible Retirement Application Form and submit this to their Line Manager for approval. The employee must confirm whether they intend to retire on a flexible basis on the following grounds:
(i) Reduction in hours of work, either in their current or alternative role;
OR
(ii) Apply for an alternative position within the council, which is of a lower grade than their current substantive role. Decisions on whether to approve requests will be based on:

- Clear benefits to the Council
- Impact on service delivery & operational needs

5.2.8 If a request for Flexible Retirement is declined, the employee will have the right to appeal the decision should they feel that the decision is unfair. The appeal should be made in writing within 14 days of receipt of the outcome letter to the Human Resources & Organisational Development Manager.

5.2.9 The decision of the HR & OD Manager will be final and there will be no further right of appeal.

5.3 Age Retiral

5.3.1 Employees can now retire voluntarily from the age of 55. If employees wish to retire, they are required to give a minimum period of contractual notice as detailed in their terms and conditions of employment.

5.3.2 Members' of the LGPS are required to give a minimum of 6 months' notice to ensure that retirement arrangements and payments are in place at their date of retirement.

5.3.3 Employees who do not give the Council sufficient notice can still leave giving their contractual notice, however, there will be a delay in receiving pension benefits after retirement.

5.3.4 Employees can choose to retire and draw their pension from the LGPS at any time from age 55 to 75, providing employees have met the 2 years' service within the scheme.

5.3.5 Employees will be subject to an actuarial reduction in accordance with the provisions of the LGPS where they choose to take their pension:

- before 60 or
- after 60, but before normal pension age or being protected by the rule of 85

5.3.6 The reduction is based on the period between the date benefits are paid and the Normal Pension Age. If employees take their pension later than their Normal Pension Age benefits are increased because it is being paid later.

5.3.7 The reduction is calculated in accordance with guidance issued by Scottish Ministers from time to time. The reduction is based on the length of time (in years and days) that employees retire early – i.e. the period between the date benefits are paid and an individuals' ***Normal Pension Age***. As a guide, the percentage reductions from April 2015 (issued February 2015), for retirements up to 13 years early are shown in the **Retirement Tool-kit**. Where the number of years is not exact, the reduction percentages are adjusted accordingly.

5.4 Rule of 85

5.4.1 The rule of 85 gives protection to employees who joined the scheme before 1st December 2006 and have membership which, when added to their age, equals or exceeds 85 in whole years.

5.4.2 Employees born before 1st April 1960 have full protection; employees born after that date have partial protection. The rule of 85 protections apply when benefits are accessed from ***age 60 onwards***.

5.4.3 The default position for a member who retires between 55 and 60 is, therefore, that the rule of 85 is "switched off". The result of this default position is that all of the member's benefits are reduced.

5.4.4 No strain on the fund is payable by the employer as the employee bears the cost of early retirement. The Council **will only agree** to switch on the rule of 85 where there is no costs attached. Further information in relation to forthcoming changes to the Rule of 85 can be found in the Tool-kit.

5.5 Retiral Reception

5.5.1 All Employees retiring from the Council will be invited to attend a Retiral Reception where they will receive an acknowledgement of their service with the Council.

5.6 Pre-retirement Leave

5.6.1 To support employees in the transition to retirement, a gradual reduction in working hours will be introduced 12 weeks prior to retirement without loss of pay or pension rights. Employees who normally work full-time over a five day week will be entitled to reduce their working hours during the last 12 weeks before their retiral date.

5.6.2 Therefore, an employee should receive 12 days' pre-retirement leave over a 12 week period. Should a public holiday occur in the same week, then the leave should be taken in addition to the public holiday. Pre-retirement leave is an additional entitlement to annual leave.

5.6.3 The above reduction will be applied on a proportionate basis for those employees who work other than a full-time, five-day a week basis (e.g. part-time/job share, shift workers, etc).

5.6.4 Employees should have at least five years' continuous service with the Council at the date of retiral to be entitled to pre-retirement leave. The weekly timing of pre-retirement leave will be agreed in discussion with the employee and the manager concerned.

5.6.5 An employee's participation in the reduced working week arrangements will be conditional on them not engaging in any other paid employment during the designated pre-retirement leave times.

5.7 Financial Advice

5.7.1 It is recommended that employees obtain appropriate and independent financial advice to ensure that they have the best possible arrangements in place to suit their circumstances.

5.7.2 Financial Advice is available through the Council's **Employee Assistance Programme**.

5.8 Planning for a Positive Retirement

5.8.1 The Council offers a half day course to all employees considering retirement. Further information on this course is available from your HR Case Adviser.

5.8.2 This course provides employees with an opportunity to take stock and plan ahead for a healthy, financial secure retirement. To assist employees with this, they will be given paid leave to attend this half day course. This session covers the key aspects to encourage a positive attitude and realistic approach to a healthy and financially secure retirement.

6.0 GDPR STATEMENT

6.1 East Dunbartonshire Council holds, uses and processes information in accordance with the General Data Protection Regulations and all other relevant national data protection laws. Further information detailing how East Dunbartonshire holds and uses personal information and copies of privacy notices used throughout the Council are available on our website: **www.eastdunbarton.gov.uk/council/privacy-notices**.

7.0 Policy Review

7.1 This policy will be reviewed in two years or in line with:

- Legislative Change.
- Other external factors.
- Evaluation of the effectiveness of the policy.

Other Formats & Translations

This document can be provided in large print, Braille or on audio cassette and can be translated into other community languages. Please contact the Council’s Corporate Communications Team at:
East Dunbartonshire Council, 12 Strathkelvin Place, Southbank
Kirkintilloch G66 1TJ Tel: 0300 123 4510

本文件可按要求翻譯成中文，如有此需要，請電 0300 123 4510。

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ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਮੰਗ ਕਰਨ ਤੇ ਪੰਜਾਬੀ ਵਿੱਚ ਅਨੁਵਾਦ ਕੀਤਾ ਜਾ ਸਕਦਾ ਹੈ। ਕਿਰਪਾ ਕਰਕੇ 0300 123 4510 ਫੋਨ ਕਰੋ।

Gabhaidh an sgrìobhainn seo cur gu Gàidhlig ma tha sin a dhìth oirbh. Cuiribh fòin gu 0300 123 4510

अनुरोध करने पर यह दस्तावेज हिन्दी में भाषांतरित किया जा सकता है। कृपया 0300 123 4510 पर फ़ोन कीजिए।