



Retirement Policy and Procedure

Introduction

West Oxfordshire District Council (WODC) prides itself on being an employer of choice. With an incredibly varied role in delivering the very best for our residents, communities and businesses, our employees are committed and really make a difference. In return we seek to support and empower our employees, to give their best.

We value our employees and are committed to providing long-term job security and managing the business in the best way possible to safeguard your employment.

This policy sets out the procedure that we will follow when an employee chooses to retire. Where an employee chooses to retire, this will amount to a resignation and the normal requirement for the employee to give notice to the employer will apply. This policy applies to all employees who are a member of the Local Government Pension Scheme (LGPS). An employee who has chosen not to contribute to the LGPS will not receive any pension benefits from the Fund under this scheme upon retirement.

We do not operate a compulsory retirement age for our employees. We recognise the contribution of a diverse workforce, including the skills and experience of older employees. We believe that employees should, wherever possible, be permitted to continue working for as long as they wish to do so.

The policy does not form part of your contract of employment, and we reserve the right to amend it at any time.

Retirement age

Employees will not be expected or required to retire at any age.

Workplace discussions

Your line manager may discuss your plans and expectations in the short, medium and long term either as part of the formal appraisal system or in separate meetings with you.

If you express an intention to retire at a particular age, your line manager may discuss with you how the transition to retirement may best be achieved. However, unless you give notice to retire, such discussions will not be binding, and you will be entitled to change your mind about the timing of your resignation.

Notice to retire voluntarily

If you wish to retire voluntarily, you must resign in writing giving at least the period of notice set out in your contract of employment.

However, we do encourage you to have early conversations with your line manager about your retirement plans as far in advance as possible to help us with our workforce planning and to ensure that you are provided with the support that you need to help you transition into your retirement.

Once you have given notice to retire, your line manager will arrange a meeting with you to discuss the arrangements for your retirement.

Succession planning

We may require your assistance and cooperation to allow for succession planning. This may include asking you to take on a mentoring role or handing over some responsibilities before your retirement takes effect.

Pension benefits

When you can start drawing from your pension will depend on the pension scheme rules. Details of your pension options and entitlements are available from Oxfordshire County Council Pensions Section. Go to www.oxfordshire.gov.uk

Under the LGPS Regulations 2013 (as amended), final salary benefits accrued to 31st March 2014 are calculated based on the WHOLE TIME equivalent final pay received in the twelve months prior to leaving on which pension contributions have been paid. This also relates to the final 12 months, or either of the two years preceding the final year, if either of these years yield a higher figure than the final year, as calculated under the 2008 Regulations. Where a member has a decrease in contractual pay/or contractual additions to their pay, then under the Regulations, outside of the final three years, a member can elect, no later than 30 days prior to the date on which they leave, for their benefits to be based on the average of any three consecutive years in the final 13 years, ending with a 31st March, if this average yields a higher figure than the final year.

You are strongly advised to consider your pension arrangements and take independent financial advice before making any decision in relation to your retirement.

Early retirement in relation to the LGPS

If an employee chooses to retire early, their pension is likely to be actuarially reduced. The Regulations require an Employer to prepare and keep under review, a written statement of its policy in relation to the exercise of its discretion under a number of provisions of the Regulations. The Statement of Policy on Discretions will detail which discretions will or will not be applied. Those employees who have a sufficient period of membership in the pension scheme may choose to receive immediate payment of pension, in accordance with the pension regulations. Any member aged 55 years plus can leave employment and claim payment of their benefits, with the relevant reductions applied, they do not need Employers consent to do this.

Early retirement will only be granted where it is in the best interests of the Council and where any one-off costs can be achieved within a three year payback period.

Employees must give Oxfordshire County Council (OCC) 3 months' notice of their wish to retire early by completing the 'Request for Early Payment of Pension' form. If OCC receive a request within 3 months' of that date, they will change the nominated payment date to 3 months' from the date they received the request.

In the event of redundancy or in the event of retirement in the efficiency of the service, employees aged 55 and over who have at least 3 months' membership of the LGPS, will receive immediate unreduced payment of their pension entitlement and redundancy compensation in accordance with the Council's Discretionary Payments Policy.

Early retirement or voluntary redundancy will only usually be considered where it is demonstrated that the one off costs can achieve a payback within 3 years and where no other alternatives are viable.

Where an employee who is a member of the LGPS has a dispute regarding their pension, they may refer this to Oxfordshire County Council's Pension Department.

Flexible retirement

We recognise that some employees may wish to phase their retirement by requesting a change to their working pattern.

A phased retirement could include working reduced hours or move to a lower grade of role. The benefit of phased retirement is that it provides you with more flexibility so that you can plan, prepare, and make a gradual adjustment from work to retirement. Flexible retirement can be considered before or after the employee attains normal retirement age. Employees can retire flexibly more than once provided the criteria are met on each occasion.

The eligibility criteria are that employees must:

- Be aged 55 or over but not have reached age 75 which is the latest age an employee can be in the LGPS
- Have three or more months' membership of the LGPS
- Have employer's consent
- Where relevant, have identified a suitable opportunity for their request

The date of the change in hours or grade is to be the same date that the employee elects for pension benefits to be paid.

The LGPS allows employees aged 55 or over to draw their pension whilst working in a reduced capacity. Additional pension benefits will accrue on the remaining hours worked. Flexible retirement is a discretionary provision, and the Council will consider requests taking into consideration the impact on service delivery and the financial strain on the pension fund. If the employee chooses the flexible retirement option before they reach age 65 the benefits may be subject to an actuarial reduction as per the LGPS Regulations. WODC will not waive all or part of the reduction and the reduction must be borne by the employee.

Restrictions

- It is expected that a flexible retirement request would be for a reduction of at least 20 % of working hours and or a reasonable reduction in grade
- An employee can request both a change of job and a reduction in hours if a suitable opportunity exists
- An agreed request to flexible retirement will be treated as a permanent change/variation to the employment contract.

Once in receipt of a flexible retirement package employees will not be able to apply for future positions if that would result in:

- The employee receiving a subsequent increase in their contractual hours above those agreed under their flexible retirement package

OR

- The employee would actually be gaining a promotion and thus the grade of the post would be above that agreed under their flexible retirement package.

Exercising discretion according to cost

Each flexible retirement application will be considered on its individual merits and will only be agreed if it is in the Council's interests to do so. An application will only be approved where there are no pension costs to the Council arising from the employee's flexible retirement and /or the flexible retirement will provide benefits to the Council such as financial savings or retention of key skills and will not result in any detriment to the level of service or sustainability of the service for the future.

Submitting a flexible retirement application

The employee will need to put in their request in writing to their line manager and include details of the grade and hours of the post they will be working in, requesting for HR to approach Oxfordshire County Council for a pension estimate and the date they wish the flexible retirement to start (a minimum of three months' is required).

Their line manager will arrange a meeting with them to discuss their request. The meeting will be arranged within 28 days of receipt of their letter and the outcome will be confirmed in writing.

Right of Appeal re a flexible retirement application

The employee has the right to one appeal which must be heard at the manager level above the decision maker and the officer must have had no previous involvement in the matter. An HR Business Partner will be present to advise the manager on the process at the appeal hearing.

If the employee chooses to appeal, they must do so in writing to the line manager who conducted the original meeting. This must be done within fourteen days of the letter informing them of the original decision. The appeal letter should set out the grounds of their appeal and be dated.

The manager conducting the appeal will write to them within fourteen days to confirm whether their request for flexible retirement has been accepted or refused.

Each employee's situation is specific to them so any possible implications for their pension should be brought to the attention of Oxfordshire County Council Pensions Department. Independent financial advice should be sought before they reach a decision.

If an employee wishes to discuss the option of flexible retirement, they should contact their HR Business Partner. Any request to change their working pattern must be made under our [policy on requesting flexible working](#). Although there is no automatic right for an employee to change their work pattern, any request for flexible working will be taken seriously and considered in a reasonable manner.

Preparation for retirement

To assist employees approaching retirement, the Council will grant leave of absence for employees to attend pre-retirement courses and will meet the course fees involved.

Version Control:	
Document Name:	Retirement Policy and Procedure
Version:	1.0
Responsible Officer:	HR Business Partner
Approved by:	
Date First Approved:	
Next Review Date	October 2024
Retention Period:	