



## **FLEXIBLE RETIREMENT POLICY**

**Date:** *15 October 2015*

**Version:** *Version 1*

**Review Date:** *In line with legislative requirements*

<b>Policy Title</b>	Flexible Retirement Policy
<b>Policy Number:</b>	POL 005
<b>Version</b>	1.0
<b>Policy Sponsor</b>	Director of Business Support
<b>Policy Owner</b>	Human Resources Manager
<b>Committee</b>	Business Support
<b>Date Approved</b>	15 October 2015
<b>Date Screening Documentation Signed</b>	17 February 2016
<b>Date Set For Review</b>	In line with legislative requirements
<b>Related Policies</b>	Pension Policy for Staff who are Members of the Local Government Pension Scheme (NI) Discretions Policy on pensions

## LIBRARIES NI

### FLEXIBLE RETIREMENT POLICY

This policy applies to those employees who are members of the Local Government Pension Scheme (NILGOSC).

#### 1. Background

- 1.1 Changes were made to the Local Government Pension Scheme Regulations (Northern Ireland) with effect from 1 April 2009, which enables an employee to request flexible retirement after they have reached the age of 55 years. In accordance with these changes Libraries NI is required to publish its policy on how it will exercise its discretionary powers contained within the provision.
- 1.2 Following the Coalition Government's decision to abolish the default retirement age, the normal retirement age 65 no longer applies with effect from 1 October 2011. The Local Government Pension Scheme Regulations provides that an employee has the right to request flexible retirement.

#### 2. Purpose

- 2.1 Regulation 18 of the Local Government Pension Scheme provides that, rather than continuing in employment to Normal Pension Age (linked to the employee's state pension age), an employee after they have reached the age of 55 years and have met the two year qualifying period can:

- (i) Reduce their hours, and/or
- (ii) Move to a lower graded post;

and

- (iii) subject to their employer's consent draw all or part of\* their pension benefits whilst continuing in employment and, if they wish, build up further benefits in the pension scheme.

\*If the employee wishes apply for a proportion of pension contact should be made to NILGOSC for further information. Please note all benefits up to 31 March 2009 must be drawn.

- (i) In accordance with the Local Government Pension Scheme regulations an employee can retire from age 55 without the consent of the employer.
- 2.2 It should be noted however that under the Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (NI) 2014, membership in respect of the benefits drawn will not count in the continuing employment towards the 85 year rule. Further information about the 85 year rule is available from HR Department.
  - 2.3 There is no automatic right for employees to continue in employment working reduced hours or at a lower grade, whilst drawing pension benefits. However there is a duty on the employer to consider such requests for Flexible Retirement seriously.

2.4 It is important for employees to note that pension benefits may be actuarially reduced if benefits are drawn before Normal Pension Age (linked to the employee's state pension age).

2.5 Waiver of any actuarial reduction on flexible retirement

Where flexible retirement is agreed, the benefits payable will be subject to any actuarial reduction applicable under the Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014. Libraries NI will only waive any such reduction, in whole or in part, where it considers it is in its financial or operational interests to do so. Each case will be considered on the merits of the financial and / or operational business case put forward and will require Directorate approval.

### 3 Policy

3.1 Requests from employees wishing to reduce their hours or move to a lower graded post while drawing pension benefits will have potential implications for service delivery, costs, efficiencies and Human Resource Planning.

3.2 Given such implications each request for flexible retirement will be considered on its merits and will only be agreed if it is in the economic and/or operational interests of the service. Cost implications for Libraries NI will be of paramount consideration in agreeing such requests.

3.3 The undernoted parameters will also be considered.

- **Parameters to be considered when requests for reduction in hours are received**

- (i) Cost to Libraries NI in approving such a request

- (ii) Service delivery

- (iii) Likelihood of being able to recruit to the remaining hours of the post, if required

- (iv) The reduction in hours must normally reflect a minimum of 40% of salary.

- (v) Applicants must intend to remain in employment on the new contract for a minimum of 1 year.

- **Parameters to be considered when requests to move to a lower graded post are received**

- (i) Cost to Libraries NI in approving such a request;

- (ii) Agreement should be subject to a suitable post being available;

- (iii) The likelihood of being able to recruit to the post being vacated, if required;

- (iv) The suitability of the employee to be appointed to the post and the potential need for retraining;

(v) Move to a lower grade must be at least one grade below;

(vi) Applicants must intend to remain in the new post for a minimum of 1 year.

**3.4** In the event that a flexible retirement request resulting in a reduction in grade is agreed Libraries NI will ensure that there is a corresponding reduction in the level of duties and responsibilities.

- If a request for flexible retirement is agreed it will constitute a permanent variation to the contract of employment and an employee will not be able to revert to their former hours or grade.
- Employees who have flexibly retired may not normally subsequently apply for positions that would result in an increase in hours or being paid at a higher grade.

#### **4 Authority**

- **Policy Sponsor:** The Director of Business Support has overall responsibility for the Flexible Retirement Policy.
- **Policy Owner:** The Head of Human Resources is responsible for ensuring the effective operation of the Policy and the associated guidance and for its regular review.
- **Policy Contact:** Any member of staff who requires further information about the Flexible Retirement Policy should contact the Head of Human Resources.

#### **5 Related Documents**

- Pension Policy for Staff who are Members of the Local Government Pension Scheme (NI)
- Discretions Policy on pensions

## Further Guidance

### 1 APPLICATION FOR FLEXIBLE RETIREMENT

1.1 Prior to making a formal request for flexible retirement employees considering applying may contact Human Resources for information. Full details and an application form are available on Libraries NI staff Intranet. Employees will also be advised to contact NILGOSC directly in order to clarify the implications for them should they opt for flexible retirement. Please note that this should be done at least 3 months in advance of the proposed date of flexible retirement.

- (i) When making a request for flexible retirement applicants should complete Section 1 of the FR/1 application form (see Appendix 1) and outline the details to support their application. The applicant's Area/ Senior Manager should complete Section 2 of the FR/1 application form, outlining the service needs and provide a recommendation as to whether or not such a request should be supported.
- (ii) The application should then be forwarded to the relevant Assistant Director/Head of Department to indicate if the application can be supported.

1.2 If a request is not supported at this stage, the Assistant Director/Head of Department should arrange to meet with the applicant to outline the reason for turning down the request.

1.3 The applicant will have the right of appeal (refer to Appeal process below).

### 2 Approval of all requests will be on the basis of the parameters outlined above i.e. costs and business/operational needs.

If the application is supported:

- (ii) The form should be forwarded to Human Resources who will seek an estimate of pension benefits and costs to Libraries NI in relation to the flexible retirement.
- (iii) If there are no capital costs to Libraries NI approval will then be sought from the Director of Services and Director of Business Support. .
- (iv) In the event that there are capital costs to Libraries NI the matter will be referred to the Director of Services and Director of Business Support for consideration and approval. A decision will be made on the basis of the parameters previously outlined under 3.3 of the policy.
- (v) If approved, Human Resources will inform the applicant and proceed to issue the amendment to the contract if the applicant wishes to continue with their application. The change will be **permanent** and all entitlements and benefits will be made according to the new terms of the contract.
- (vi) If the application is not approved, the employee has the right of appeal.

### **3. Appealing the decision**

3.1 If an employee wants to appeal the decision they must make their appeal in writing, setting out the grounds of appeal, within 14 days after the date they receive written notification that their request for flexible retirement has been rejected. The appeal should be dated and forwarded to the Human Resources Manager.

3.2 The Human Resources Manager (or nominee) will arrange an appeal meeting to take place within 14 days after receiving the notice of the appeal. The appeal shall be heard by the Chief Executive (or nominee) of Libraries NI.

3.3 The employee may be accompanied to the meeting by a work colleague or trade union representative.

3.4 The employee shall be notified of the outcome of the appeal within 14 days after the date of the meeting.

3.5 The written notice of the outcome of the appeal shall be the employer's final decision.

**LIBRARIES NI**

**Section 1 – Application for Flexible Retirement**

<b>NAME:</b>	
<b>LOCATION:</b>	
<b>DEPARTMENT:</b>	
<b>JOB TITLE:</b>	
<b>GRADE:</b>	
<b>CONTRACTUAL HOURS:</b>	

**I wish to apply for flexible retirement on:**

\_\_\_\_\_

(Please provide a provisional date subject to procedural timescales; normally not less than 3 months)

**I wish to apply for a reduction in my contractual hours to:**

\_\_\_\_\_

(NB – Minimum reduction normally 40% of salary)

**I wish to apply for a reduction in grade to the post of:**

**Title:** \_\_\_\_\_

**Grade:** \_\_\_\_\_

**Please note that access to pension must be to all benefits prior to 1 April 2009.**

**Please indicate below if you wish to draw all, some or none of the benefits that you built between 1 April 2009 and 31 March 2015 and/or after 1 April 2015.**

**Please outline your reasons for application:**



**Applicant's Declaration.**

**Applicant's contact details:**

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Postcode: \_\_\_\_\_

Telephone: (Home) \_\_\_\_\_

(Mobile) \_\_\_\_\_

Email: \_\_\_\_\_

I, the applicant, am aware of and accept the conditions attached to Flexible Retirement as outlined in the Libraries NI Policy and related Guidelines for Flexible Retirement.

I have contacted NILGOSC in regard to this matter and any potential impact on my benefits and am happy to proceed with my application.

I understand that in the event of my application is approved I must remain in the new post for a minimum of 1 year (In the event that I resign I accept that I may be liable to all or part of any costs that were payable by Libraries NI in respect of Flexible Retirement.)

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## Section 2 – Supporting business case evidenced by Area/Senior Manager

This should include how:

- Service delivery will be affected.
- The likelihood of recruiting to the remaining hours of the post, if required.
- Whether or not a post at a suitable grade is available.
- The suitability of the employee for appointment to an alternative post (if available) and the potential need for retraining.

It should be noted that providing replacement employment for the reduction in hours or grade is not automatic.

I have met with the above named applicant and support/do not support their application for flexible retirement on the following grounds:

NB Cost implications to Libraries NI will be of paramount consideration and will be taken into account at final approval stage.

**Signed:** \_\_\_\_\_

(Area Manager/ Senior Manager)

**Print Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Job Title:** \_\_\_\_\_

**Supported by: Assistant Director / Head of Department:**

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Section 3 – to be completed by Human Resources Department**

**Flexible Retirement Quotation and costs to Libraries NI.**

Date application received:

Date quotation sought from NILGOSC: \_\_\_\_\_

Date quotation received from NILGOSC: \_\_\_\_\_

Costs incurred: \_\_\_\_\_ Amount: £ \_\_\_\_\_

Date referred to Directors for approval: \_\_\_\_\_

Date notified of Director's decision: \_\_\_\_\_ Approved/Not Approved

Applicant informed of decision: \_\_\_\_\_

Date of letter of offer to employee: \_\_\_\_\_

Date Confirmation letter and Amendment to T&C's \_\_\_\_\_

Date NILGOSC LGS15 &16 completed \_\_\_\_\_

HR Systems updated

Applicant informed of right of appeal: Yes/N/A

**Signed HR:**

**Date:**



