



Early Retirement on the Grounds of Efficiency of the Service - (Local Government Pension Scheme)

1. Scope

This policy applies to all Council employees who are 55 and over, and members of the local government pension scheme with the exception of employees based in schools.

Support staff employed within schools may be covered by this procedure by specific acceptance of the governing body.

2. Early Retirement

Normally, full retirement benefits are paid (i.e. without any reductions) when employees reach normal pension age (minimum age 65). Some employees may be able to access their pension earlier due to protection arrangements and LGSS Pensions will be able to advise if this applies.

However, in certain circumstances early retirement may be appropriate, enabling employees to access their pension benefits from age 55 (without any reduction).

This may be because of redundancy (compulsory or voluntary); or efficiency of the service (where there is no redundancy situation but there would be efficiency improvements resulting from the retirement).

The Council has therefore drawn up an early retirement scheme which:

- Allows the Council to encourage and support the movement of employees
- Gives eligible employees an opportunity to leave the Council voluntarily and
- Allows for efficiency improvements.

Employees considering volunteering for early retirement should be aware of the possible implications of early retirement e.g. mortgage protection policies, and are responsible for seeking appropriate advice.

Note: With effect from 1 April 2014, employees can take retirement from age 55 without the Council's consent but there would be a reduction in benefits.

3. Conditions of Early Retirement

The scheme only applies to those employees for whom change is anticipated and where early retirement can be financially justified.

The Council is committed to helping employees find suitable alternative work within the service as an alternative to early retirement due to redundancy or efficiency. Although it is recognised that the use of redeployment will be maximised, there will inevitably be instances where this is not possible. There may, for example, be a substantial number of posts being lost as a result of budget pressures or significant changes in service provision.

Voluntary Retirement is only intended to take place where it is absolutely necessary and is in the long-term interests of the Council in meeting its strategic objectives.

4. Approval Process - Early Retirement on the Grounds of Redundancy or Efficiency of the Service

For individual employees a Form 10 – Redundancy/Early Retirement must be completed. This is available on the intranet.

Where a group of employees volunteer for early retirement as part of a service or Council-wide redundancy programme, this will initially be dealt with by HR Advisory, who will pre-populate the form, using a spreadsheet to manage the group process.

Each case is judged on its own merits. Whether an application is authorised or not depends on there being either:

- Sufficient revenue savings or
- Efficiency advantages to the Council or an
- Audit trail substantiating the savings.

The processes are subject to review by both internal and external auditors.

5. Process - Early Retirement Declined

There is no right to appeal if voluntary early retirement is refused, as the scheme is at the discretion of the Council. Employees whose applications are declined will be notified in writing. They will not be subject to any future detriment in employment opportunities.

6. Process - Early Retirement Approved

The normal dismissal procedure will be followed, even though this is a voluntary process. The Council recognises that legally voluntary early retirement is a dismissal therefore; where an employee wishes to appeal, they will have the right to do so.

An employee who retires under the early retirement scheme will normally be expected to work their contractual period of notice.

7. Payments Due to Employees Retiring Early

Pensions are payable immediately (i.e. from date of leaving) as long as retiring employee has at least two years continuous membership of the Local Government Pension scheme. For employees who are taking early retirement due to redundancy, a redundancy payment will also be payable where they have at least 2 years continuous service.

8. Monitoring

HR Advisory will provide data to the Corporate Finance Team (via Form 10) to enable the number of early retirements and redundancies and their associated costs and savings to the Council to be calculated.

9. Support for Managers

The HR Advisory Team is able to offer further support and guidance to managers.

10. Administration Required

Managers should complete the relevant section of the Leavers Form (Form 8) and submit it online via Lets Go Direct. This is available on the intranet.

Where the employee is eligible to take their pension, the LGSS Pensions team must be informed of the leaving date and any documentation they require, provided to them without delay.

11. Guidance for Employees

Employees should refer to their personal estimate of benefits and address any queries related to their pension benefits to the LGSS Pensions Service.

Employees should be aware of the restrictions for re-employment with the Council which are specified in the Council's Pay Policy.