

Personnel Advisory Bulletin No 56

Flexible Retirement Scheme for LG Employees**1. Introduction**

The Local Government Pension Scheme (Scotland) (LGPS) Regulations allow 'flexible retirement'. This refers to where, with employer's consent, a member of the LGPS who has at least two years' pensionable service and who has reached the age of 55 at the date of flexible retirement, reduces the hours they work and / or the grade in which they are employed and receives accrued pension benefits even though they are still in employment.

The council recognises that flexible retirement can allow employees to make adjustments to their work life balance as they approach retirement and will support applications where financially and operationally feasible.

The scheme also supports the council's business change, organisational transformation and workforce planning objectives.

The aim of this scheme is to provide options, information and guidance for employees who are considering flexible retirement and for managers who receive applications.

Employees are encouraged to obtain independent financial advice to inform their decision making.

2. Scope

This scheme applies to all local government employees who are aged 55 and over and who are active members of the LGPS with **a minimum of two years' service**.

3. What is flexible retirement?

- Eligible employees may be able to reduce their hours (by a minimum of 20%) and / or reduce their grade and start receiving the pension benefits they have built up even though they are still in employment with the council.
- A reduction in grade will only be permitted through an employee moving to a lower graded job e.g. moving, without a recruitment process, into a vacant lower graded job.
- Employees can still build up further pension benefits in the LGPS by rejoining the Tayside Pension Fund.
- Employer's consent is required for flexible retirement as a cost may apply and consideration must be given to the request to reduce hours and / or grade.
- Any request that is made and accepted will be a permanent change to the employee's contractual terms and conditions and the employee has no right to revert to the previous working pattern.
- If employees take flexible retirement before their normal pensionable age (NPA) benefits may be reduced in the same way as if they were retiring early.
- Only requests to receive all pension benefits which have been built up will be considered.

4. How to apply for Flexible retirement

Step 1

- An employee considering flexible retirement must submit a written request to their manager using the Flexible Retirement Application Form. Section 1 of the form must be completed.
- The manager will make an initial assessment of the proposed working arrangement on service delivery. Where necessary a meeting will be arranged to discuss the request with the employee. This should be considered prior to any estimate of benefits being requested from Pensions Section.
- Where a reduction in grade is requested a suitable vacancy must exist and the employee must match the person specification for the post being considered. Further advice can be obtained from Human Resources.
- The proposal will be refused and the employee notified in writing if it is deemed unacceptable for business reasons i.e. any of the valid reasons for refusing a 'standard' flexible working request or in the absence of a suitable vacancy should the employee propose to reduce their grade. See relevant section of [Flexible Working Procedure](#) On what grounds can a request be refused .
- The manager should complete this initial assessment in no more than 20 working days from receipt of request.
- Where the proposal is refused due to being deemed unacceptable for business reasons i.e. any of the valid reasons for refusing a 'standard' flexible working request the employee may appeal against this decision following Step 4 of the [Flexible Working Procedure](#)
- Where the initial assessment deems the request acceptable the manager will complete Section 2 of application form and e-mail the completed form to AskHr@angus.gov.uk to request an estimate of pension benefits and costs to the service. This may take approximately 4 months.

Step 2

- When available, Human Resources will send the pension estimate to the employee along with their application form.
- If, on receipt of the estimate, the employee wishes to proceed with their application, they must confirm this to their service director and manager in writing by completing Section 3 of the application form.
- Human Resources will then send the estimate of costs to the service director.

Step 3

- The service director will consider the financial viability of the change requested against the criteria, set out below, of the scheme.
- If the service director does not support the request, they will advise the employee in writing.
- There is no right of appeal against this decision. If the employee wishes to raise a complaint relating to this decision it may done using the [Grievance Procedure](#)
- If the service director is satisfied that the request is acceptable they must liaise with Human Resources to arrange for their recommendation, together with the costings, to be submitted to both the Director of Finance and the Director of HR, Digital Enablement, IT & Business Support, for their consideration and approval.

Step 4

- If the request is approved by both the Director of Finance and the Director of HR, Digital Enablement, IT & Business Support the service director will be notified.
- The service director will inform the employee in writing and advise the line manager to make arrangements for any staffing or organisational changes, and for the early release of the employee's pension. Advice is available from Human Resources
- If the request is not approved, the service director will be informed and will write to the employee advising them that their request has not been approved.
- There is no right of appeal against this decision. If the employee wishes to raise a complaint relating to this decision it may be done using the [Grievance Procedure](#)

5. Criteria for approval of requests

When considering requests for flexible retirement, the Council will take account of the following criteria:

- Approval will normally only be given if there is a saving, over 2.5 years, after taking account of any associated costs including the cost of early payment of the accrued pension benefits and any necessary recruitment / backfilling of the post resulting from the change in working patterns and /or grade.
- The employing service will be required to meet all costs, including pension costs, arising from a flexible retirement.
- A request will not be approved where the proposed change to work arrangements is likely to adversely affect service delivery. Where a move to a vacant lower graded post has been requested, services must consider whether holding the post is feasible given the timescales associated with flexible retirement applications.
- The granting of a request should assist workforce planning.
- An employee may only make one request for flexible retirement within any period of one year unless it is identified as an option to facilitate a service reorganisation/restructuring.

6. Timescales

As a number of steps involve the preparation of financial information by people outwith Angus Council, it is not possible to set timescales for the procedure. However, requests will be dealt with as quickly as is practicably possible. It is unlikely that estimates and associated costs will be available in less than four months from the date of request.

7. Monitoring and Review of Scheme

The Flexible Retirement Scheme will be continually monitored and reviewed as necessary to ensure compliance with relevant legislation, regulations and business requirements.

At the end of each financial year a report is prepared indicating the number of employees released on the basis of redundancy, flexible retirement and early retirement on grounds of efficiency during that financial year along with the associated costs and savings.

8. Data Protection

When managing an employee's request for flexible retirement the council processes personal data collected in accordance with its data protection policy, human resources data protection policy and employee privacy notice. Data, collected from the point at which the council receives a request for flexible retirement, is held securely and is accessed by, processed by and disclosed to, individuals only for the purposes of managing the request for flexible retirement, including relevant pension agencies through the Scottish Public Pensions Agency administrators and if necessary for the completion of audits. Further information can be found at Employee Matters - [Human Resources – Data Protection](#) or contact [Human Resources](#).

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