

<b>Date</b>	15/2/2019		3	<b>Document status</b>	Final
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<b>Governance Committee</b>		<b>Date approved</b>	
<b>Review date</b>			

**Strategic Alignment**

*Improving the Council's Resource Base – A Workforce Strategy that is built around the needs of the Council (as a single resource base) to deliver the priority outcomes, ensuring future workforce requirements, new skills and innovative approaches, and succession planning are recognised.*

<b>Consultation process</b>		
<b>Stakeholders</b>	Contacts identified for each service	
	<i>Joint Trade Unions</i>	
<b>Distribution</b>		

### Change record

<b>Date</b>	<i>6/05/2021</i>	<b>Author</b>	<i>Lindsay Millar, <a href="mailto:Millarl@northlan.gov.uk">Millarl@northlan.gov.uk</a></i>
<b>Change made</b>	<i>Changes to criteria for flexible retirement</i>		

<b>Date</b>	<i>12/10/2021</i>	<b>Author</b>	<i>Lindsay Millar, <a href="mailto:Millarl@northlan.gov.uk">Millarl@northlan.gov.uk</a></i>
<b>Change made</b>	<i>Now stipulates that any changes are a permanent change to contract of employment</i>		

<b>Date</b>	<i>07/09/2023</i>	<b>Author</b>	<i>Lindsay Millar, <a href="mailto:Millarl@northlan.gov.uk">Millarl@northlan.gov.uk</a></i>
<b>Change made</b>	<i>Change to notice period</i>		

*This guide is for members of the Local Government Pension Scheme (LGPS). Teachers can apply to be considered for Premature Retirement. Teachers should contact their HR Business Partner for more information.*

### **What is flexible retirement?**

Flexible retirement allows members of the LGPS to request to access their pension and lump sum, if applicable, while continuing to work on reduced hours in the same post or at a lower grade in another post.

Employees can choose to stop making contributions or opt to continue paying contributions on their reduced salary and build up new pension benefits which will become payable on full retirement.

Further information on flexible retirement and the pension terms used can be found in this guide - [SPFO - A guide to the local government pension scheme in Scotland.](#)

North Lanarkshire Council's Flexible Retirement scheme is open to employees who meet the following eligibility criteria:

- Employees must be aged 55 or over, and be a member of the Local Government Pension Scheme with a minimum of 2 years' pensionable service
- Employees will be required to reduce their contracted working week by at least 20% or take up a lower graded post\*.
- There must be positive benefits to the council in granting flexible retirement.
- Where there is any cost the employee will have to incur these costs which in principle will be applied through an actuarial reduction to the employee's annual pension.

### **Principles**

All applications are voluntary and at the request of the employee. All flexible retirement applications confirmed will represent a permanent contractual change. Decisions on whether to approve requests will be based on:

- Clear benefit(s) to the council in facilitating service reform or other organisational objectives.
- Impact on service delivery and operational needs.
- Any costs or savings to the council.

Requests will be considered on a case by case basis and will be approved at the discretion of the council.

Strathclyde Pension Fund members should note that depending upon individual circumstances, your pension benefits may be actuarially reduced. Advice on this should be sought from Strathclyde Pension Fund Officer prior to you making an application for flexible retirement. The contact number is 0345 890 8999.

## **Flexible Retirement Options**

*Reduction in Hours* – The council requires that employees will make at least a 20% reduction in contractual weekly working hours. Benefits to the council and impact on service delivery will be considered in reviewing requests.

*Reduction in Grade* – A reduction in grade may appeal to those wishing to voluntarily step down in responsibility in the latter stages of their career. An employee wishing to take this option should identify a suitable vacancy – this will be subject to open recruitment in the normal manner. Any application for flexible retirement based on a reduction in grade cannot be confirmed until the employee is successful in securing a new position.

## **Changes to working hours/post**

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.

## **Applying for Flexible Retirement**

An employee wishing to apply for flexible retirement should do so by completing this application form, which can be found [here](#). The application form should be given to the line manager. Changes to pension arrangements can take up to 3 months to process. Therefore, all applications should be sent to the line manager **no later than 6 months before the proposed start date**. This will allow it to be fully considered and processed.

## **Reviewing the Application**

The line manager and the HR Business Partner will review the application and consider operational requirements/impact. The results of this assessment will be passed to the appropriate Head of Service.

A meeting with the employee and the Head of Service (or nominated officer) will be arranged within 20 working days of receipt of the request. An HR Business Partner will be in attendance. The purpose of the meeting is to explore the feasibility of the request in depth and discuss how it may be accommodated, or to consider alternatives. The employee may, if they wish, be accompanied at this meeting by their trade union representative or a person of their choice.

The outcome of this meeting will be confirmed in writing within 14 days of the meeting.

## **Outcome**

*Approved Applications/Applications approved in principle* – Where the request has business benefits to the council and can be supported operationally by the Head of Service, the HR Business Partner will request an estimate of the employee's retirement

benefits from Strathclyde Pension Fund Office (SPFO). This will include any actuarial reduction to the employee's pension benefits (if applicable).

On receipt, this information will be shared with the employee. The employee should be given reasonable time to consider the estimate and may wish to seek financial advice – please note that this cannot be provided by the council.

*Refused Applications* - Employees will have the right of appeal. An appeal should be submitted in writing to the Head of People and Organisational Development, stating the grounds of the appeal, within 10 working days of the receipt of the decision.

The appeal will be a paper-based review of all documentation relating to the application and the reasons for the decision made. The appeal will be considered within Employee Relations. The outcome of the appeal will be confirmed in writing within 10 working days. There will be no further right of appeal.

### **Final Steps**

If both the Service and the employee agree to proceed, a flexible retirement date will be set. The change will be processed, and the employee will receive written confirmation of this and a variation to their contractual position. They will be contacted directly by the SPFO with regards to payment of their pension.