



Trust - Flexible & Phased Retirement Policy

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Committee: Standards

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1. INTRODUCTION

- 1.1 Flexible, or phased, retirement is a provision available under the Local Government Pension Scheme (LGPS) and Teachers Pension Scheme (TPS) to enable employees greater choice about the way they manage the transition from work to retirement. These provisions provide a more managed transition from work to retirement by enabling LGPS and TPS members to continue in work in a reduced capacity whilst at the same time accessing some of their pension benefits.
- 1.2 Both pension schemes, LGPS and TPS, allow members to reduce their hours or move to a lower graded post and draw some pension benefits. However, the provisions of the schemes have differences. Where these differences exist the provisions of both schemes are detailed separately under the headings of **Support Staff** and **Teachers**.
- 1.3 It is important to note from the start that employees **must** have the Board of Trustees permission to access flexible retirement, both in terms of agreeing to the reduction in hours or grade **and** in terms of the release of the accrued pension benefits (LGPS only). The Board of Trustees will consider each request on its merits and will only agree requests if it is in the Trust's economic and / or operational interest to do so.

2. Eligibility

Support Staff

- 2.1 Under the LGPS this provision is called 'flexible retirement'. The LGPS allows employees aged 55 or over with at least three months' total membership (or who have brought a transfer value into the LGPS) to apply for flexible retirement to help ease them into retirement. Under the 2014 Scheme, the qualifying membership is 2 years.
- 2.2 In terms of Trust's application of this provision, employees will need to apply for a minimum 20% cut in hours, or a minimum reduction of one full grade, before flexible retirement will be considered. This is because anything less than this will not meet the aim of this provision, which is to ease employees into retirement.

- 2.3 Also, in order for the Trust to consider an application for flexible retirement, any employee under the age of 60 must be able to commit to remaining in employment with the Trust for a minimum period of one year from the date they start the flexible retirement arrangement, or to age 60, if earlier.
- 2.4 Under the provisions of the LGPS, eligible employees for whom flexible retirement is agreed may draw the pension benefits they have accrued, however, these may be subject to reduction depending on the age of the employee and their membership. They may also draw their wages/salary from their job on the reduced hours or grade and continue paying into the LGPS to build up further benefits in the Scheme if they so wish.
- 2.5 There is usually a cost associated with a member of the LGPS taking flexible retirement therefore the agreement of the Board of Trustees must be sought for both the reduction in hours/grade **and** the release of accrued pension benefits.
- 2.6 If a request is rejected, a further request cannot be made for 12 months.

Teachers

- 2.7 Under the TPS the provision is called 'phased retirement'.
- 2.8 In order to be eligible, employees need to be aged between 55 and 75.
- 2.9 In terms of Trust's application of this provision, employees will need to change the capacity in which they are working so that their pensionable salary is reduced by at least 20% compared to the average of the salary they have received during the preceding six months. The application for phased retirement must be received by Teachers' Pensions within 3 months of the salary reduction taking place. The reduction in salary, which must last for at least 12 months, could be as a result of moving to part time work or taking up a post with less responsibility.
- 2.10 Members of the TPS can take up to a total of 75% of the pension benefits that they have in the scheme at the date the phased retirement begins. If these benefits are taken before the member's normal pension age the benefits will be actuarially reduced to take account of the fact that they have been put into payment early and they will be in payment for longer. If a teacher has accrued final salary and career average benefits, they do not have to access both sets of benefits.
- 2.11 Remaining service, which must be at least 25%, will be aggregated together with any subsequent service the member accrues to be used in any future benefit calculations.
- 2.12 There are no pension costs associated with a teacher taking phased retirement therefore the agreement of the Board of Trustees must only be sought for the reduction in hours or grade. The Board of Trustees may decide, for phased retirement requests from teachers, to delegate the authority to agree requests to the CEO.
- 2.13 The Trust will need to certify to the TPS that the employee has taken up, or will be taking up, a lower paid post which meets the criteria for phased retirement.

- 2.14 If the reduction in grade/hours is achieved by the employee moving to a post with a different employer, then the application form to the TPS must be signed by the employer responsible for the new working arrangements.
- 2.15 Members of TPS can take up to two phased retirements before final retirement. The TPS states - Protected members can take 2 phased retirements before finally retiring. Career average members can take up to three phased retirements before finally retiring, but only two can be before age 60.

3. Application Procedure

- 3.1 Employees should note that requests for flexible/phased retirement might take a number of weeks/months to action (or longer if a problem arises). As such, they should ensure that they make their application well in advance of when they would like flexible/phased retirement to start.
- 3.2 Eligible employees can request to reduce their hours of work in their current job or move to another job in the Trust on a lower grade or on reduced hours and elect to draw the pension benefits they have already built up, whilst continuing to work the flexible arrangements proposed. To do this, they need to complete **Part 1 of the application form (Appendix 1 for Support Staff/Appendix 2 for Teachers)** and pass this to the CEO/ Principal/ Head Teacher/ Head of School.
- 3.3 **Making an application does not give employees an automatic right to flexible/phased retirement but the Board of Trustees will give any such requests serious consideration.** In doing so, the Board of Trustees will look at the following factors:
- impact of any additional costs on the Trust;
 - impact on ability to meet customer demand;
 - ability to reorganise work amongst existing employees;
 - ability to recruit additional staff;
 - impact on quality;
 - impact on performance;
 - availability of work during the periods the employee proposes to work;
 - any relevant planned structural change.
- 3.4 After receiving the application form, the CEO/ Principal/ Head Teacher/ Head of School will liaise with the Trust's HR Provider to arrange an estimate of the accrued pension benefits and any costs to the Trust associated with the request.
- 3.5 The CEO/ Principal/ Head Teacher/ Head of School will then **aim to meet the employee to discuss the request within four working weeks of receipt of the employee's request.** The meeting will provide the CEO/ Principal/ Head Teacher/ Head of School and employee with the opportunity to discuss the request in detail, including any financial and operational implications. It also provides an opportunity to consider alternative reductions in working hours, should there be problems in accommodating the initial request.

- 3.6 If the employee has requested flexible/phased retirement via moving to a lower graded post in their current team or in a different team in the Trust, or for reduced hours in a different post in the Trust, the employee must still apply for an advertised post under the Recruitment and Selection policy in fair and open competition with other applicants. As such, if the Trust agrees the request for flexible/phased retirement on this basis, a timescale for implementation cannot be given, as this will depend on the availability of suitable jobs and the recruitment and selection programme.
- 3.7 Following the meeting, the CEO/ Principal/ Head Teacher/ Head of School should take advice from the School's HR team as necessary before giving their views on **Part 2 of the application form – Appendix 1/2** as to whether or not the request can be agreed from their perspective.
- 3.8 The CEO/ Principal/ Head Teacher/ Head of School must then pass the form to a committee formed from the Board of Trustees (Committee A) ensuring that a copy of the pension estimate and estimated costs to the school/college are attached to the form.
- 3.9 For requests from Teachers where there is no cost to the school/college and the reduction in grade/hours can be accommodated, the Board of Trustees can delegate the matter to the CEO/ Principal/ Head Teacher/ Head of School. In these cases, the CEO/ Principal/ Head Teacher/ Head of School would also complete Part 3 of the application form as per paragraph 3.10 – 3.11 below.
- 3.10 Committee A of the Board of Trustees should consider the application, bearing in mind that the school/college will consider each request on its merits and will only agree requests if it is in the Trust's economic and / or operational interests to do so. The employee may be asked to attend a meeting with Committee A of the Board of Trustees if this is deemed necessary.
- 3.11 The Chair of Committee A of the Board of Trustees should then complete **Part 3 of the application form – Appendix 1/2 and** return the form to the employee as soon as possible.
- 3.12 If the request is agreed, the relevant pension arrangements will need to be made, a revised Statement of Particulars issued, and relevant payroll documentation completed.
- 3.13 If a contract variation is agreed, it will be permanent and there will be no right to revert back to the former arrangements unless otherwise agreed.

Teachers

If an employee's salary goes over the 25% reduction in the first 12 months their application will be void and future pension payments will be suspended.

4. Right of Appeal Support Staff

- 4.1 If Committee A of the Board of Trustees refuses the request to release the employees accrued pension benefits then the employee has the right of appeal against the decision to the Appeals Committee of the Board of Trustees in line with Stage 3 of the Grievance

Procedure. The employee does not have the right to appeal against any decisions made regarding changes to the employees working arrangements, such as a request to reduce hours, unless this request is covered by another policy e.g. Flexible Working Policy.

- 4.2 The employee has 5 calendar days from receipt of the Committee A of the Board of Trustees' decision to notify an intention to invoke Stage 3 of the Grievance Procedure.
- 4.3 The employee must submit the grievance in writing to the Chair of Committee A of the Board of Trustees. The appeal will be heard by the Appeals Committee of the Board of Trustees as soon as practicably possible giving the employee at least 7 calendar days' notice to prepare. The hearing date may be deferred by up to 5 calendar days if the employee has difficulty arranging representation.
- 4.4 At the hearing the employee will state the basis of their appeal. The Appeals Committee of the Board of Trustees will take account of all the information gathered at the earlier stages in addition to any new information. The Appeals Committee of the Board of Trustees will notify the employee of their decision, in writing, as soon as is practicable. The decision of the Appeals Committee of the Board of Trustees is final.

5. Representation

- 5.1 The employee has the right to be accompanied by a representative for the first and any subsequent meetings on this issue. The representative may be a trade union representative, workplace colleague or friend of the employee's choice, who does not have a conflict of interest. The representative will be able to address the meeting and confer with the employee during the meeting but not answer questions on the employee's behalf.

6. Withdrawal of Application

- 6.1 If an employee wishes to withdraw an application for flexible/phased retirement at any stage of the process, they must do so in writing to the CEO/ Principal/ Head Teacher/ Head of School.

7. Financial Implications

The Trust

- 7.1 Any costs for flexible retirement from age 55 will fall on the relevant school/college in the Trust (LGPS only).

Employees

- 7.2 If employees receive payment of their LGPS pension benefits under flexible retirement, their benefits will not be subject to reduction or suspension for reemployment whilst they continue in their employment or any subsequent employment with the Trust.

8. Default Retirement Age and Normal Retirement Age

- 8.1 From 6th April 2011 the default retirement age was abolished. This enables employees more choice about when they want to retire and draw any occupational pension to which they are entitled, in line with the relevant pension scheme's rules.
- 8.2 If an employee wishes to retire at age 65 or older they will need to resign from their post, in writing, providing the notice specified in their contract of employment in the normal way. It would be helpful if individuals could give an early indication of when they might be planning to retire but the manager cannot require them to do so.
- 8.3 Employees who remain working beyond the State Retirement Age do so on the same terms and conditions of service as before, provided there has not been a break in service or a change of post.

9. Further Information

- 9.1 Please note that employees may choose to apply for a job at a lower grade or on reduced hours at any time via the normal recruitment and selection process, without the Trust's consent. However, if their application is successful, the new arrangements would be entirely voluntary and the flexible retirement provisions) would not apply i.e. in terms of the release of the accrued pension benefits (LGPS only).

Where there is any difference between the legislation governing the LGPS/TPS and the information in this policy, the legislation will apply.

SUPPORT STAFF - APPLICATION FOR FLEXIBLE RETIREMENT

1. EMPLOYEE ACTION

<p>(i) PERSONAL DETAILS</p> <p>Name:</p> <p>Employee Number:</p> <p>School/College:</p> <p>Post Title:</p> <p>Current Hours:</p> <p>Grade:</p>

<p>(ii) ELIGIBILITY (Please tick as relevant)</p> <p>Are you age 55 or over* (or will shortly be aged 55 and wish to request flexible retirement from then), with at least 2 years vested membership of the Local Government Pension Scheme?</p> <p style="text-align: center;"> Yes <input type="checkbox"/> No <input type="checkbox"/> </p> <p><i>(if no, you may not be eligible to apply. Please contact your CEO/ Principal/ Head Teacher/ Head of School)</i></p>

<p>(iii) APPLICATION DETAILS (Please tick a, b or c below as relevant)</p> <p>I would like to apply to:</p> <p>a) Reduce my working hours in my current post by at least 20% <input type="checkbox"/> <i>Please give details in section (iv) below</i></p> <p>b) Reduce my working hours by applying for another post on less hours <input type="checkbox"/> Please state required number of hours (NB at least 20% reduction) <input type="checkbox"/></p> <p>c) Reduce my grade by applying for another post at a lower grade Please state required grade (NB at least 1 grade lower)</p>
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(iv) REDUCED WORKING HOURS

Please describe your current working pattern (days/hours/times worked)

Please describe the reduced working hours and pattern you would like to work (days/hours/times)

How do you think this reduction in hours will affect the Trust and colleagues?

How do you think this impact on the Trust and colleagues might be addressed?

From which date would you like this change to begin?

(v) DECLARATION

I understand that the Trust will liaise with Pensions for an estimate of my accrued pension benefits and details of any costs to the Trust in terms of this flexible retirement request.

I also understand that if any reduction in hours or grade is agreed then this will be a permanent change.

Signed:

Date:

PLEASE PASS THIS APPLICATION TO YOUR CEO/ PRINCIPAL/ HEAD TEACHER / HEAD OF SCHOOL

2. TRUST ACTION

Note to CEO/ Principal/ Head Teacher / Head of School

CEO / Principal /Head Teacher / Head of School to liaise with the Trust's HR provider to access costs of early release of pension benefits under flexible retirement. CEO / Principal / Head Teacher / Head of School then **to meet employee within 4 working weeks of request** to discuss application and complete the section below.

I can confirm:

- a) **Date meeting took place to discuss the request:**

- b) **I would/ would not* support the request** *(please delete, as appropriate)

- c) **The request is/ is not in the interest and efficiency of the Trust** *(please delete, as appropriate)

- d) **If request is supported (b) may be achieved by:** (please expand on additional sheet if necessary)

Signature:

Date:

PLEASE PASS PART 1 & 2 TOGETHER WITH A COPY OF THE PENSION ESTIMATE AND ESTIMATED TRUST COSTS TO COMMITTEE A OF THE BOARD OF TRUSTEES 3 COMMITTEE A OF THE BOARD OF TRUSTEES

Note to Chair of Committee A of the Board of Trustees

You should complete this form when replying to an appeal that an application for flexible retirement from age 50 has been properly considered. You must return this form to the employee as soon as is reasonably practicable.

I can confirm that:

Following our meeting on _____ I have considered your request for flexible retirement and I would be able to support your request as follows:

Your new working arrangement will begin from:

I can confirm that:

Following our meeting on _____ I have considered your request for flexible retirement and I am sorry but I must reject your request on the following ground(s):

Continue on a separate sheet if necessary

Note to Employee

If your request has been refused you have the right to appeal against this decision to the Appeals Committee of the Board of Trustees in line with Stage 3 of the Grievance Procedure within 5 calendar days of receipt of this decision.

Signature:

Date:

(on behalf of the Board of Trustees)

PLEASE RETURN THIS FORM TO THE EMPLOYEE AND PLACE A COPY ON THE EMPLOYEE'S PERSONAL FILE

TEACHERS - APPLICATION FOR PHASED RETIREMENT

1. EMPLOYEE ACTION

(i) PERSONAL DETAILS	
Name:	Employee Number:
Post Title:	Current Hours:
School/College:	Grade:
Current Working Arrangements:	

(ii) ELIGIBILITY (Please tick as relevant)
Are you age 55 or over (or will shortly be aged 55 and wish to request phased retirement from then)?
<p style="text-align: center;"> Yes <input type="checkbox"/> No <input type="checkbox"/> </p> <p><i>(if no, you may not be eligible to apply. Please contact your CEO / Principal/ Head Teacher / Head of School)</i></p>

(iii) APPLICATION DETAILS (Please tick a, b or c below as relevant)
I would like to apply to:
a) Reduce my working hours in my current post by at least 25% <input type="checkbox"/> <i>Please give details in section (iv) below</i>
b) Reduce my working hours by applying for another post on less hours <input type="checkbox"/> <i>Please state required number of hours (NB at least 25% reduction)</i> <input type="checkbox"/>
c) Reduce my grade by taking reduced responsibility e.g. give up TLR <input type="checkbox"/> <i>Please give details in section (iv) below</i>

(iv) REDUCED WORKING HOURS/REDUCED RESPONSIBILITY

Please describe the revised arrangements you would like to work

How do you think this reduction in hours/responsibility will affect the Trust and colleagues?

How do you think this impact on the Trust and colleagues might be addressed?

From which date would you like this change to begin?

(v) DECLARATION

I understand that the Trust will liaise with Pensions for an estimate of my accrued pension benefits. I also understand that if any reduction in hours or grade is agreed then this will be a permanent change.

Signed:

Date:

PLEASE PASS THIS APPLICATION TO YOUR CEO/ PRINCIPAL/ HEAD TEACHER/ HEAD OF SCHOOL

2. TRUST ACTION

Note to CEO / Principal / Head Teacher / Head of School

CEO/ Principal / Head Teacher /Head of School to liaise with the Trust's HR provider if required. CEO/ Head Teacher /Head of School then **to meet employee within 4 working weeks of request** to discuss application and complete the section below.

I can confirm:

- a) **Date meeting took place to discuss the request:**

- b) **I would/ would not* support the request** *(please delete, as appropriate)

- c) **The request is/ is not in the interest and efficiency of the Trust** *(please delete, as appropriate)

- d) **If request is supported (b) may be achieved by:** (please expand on additional sheet if necessary)

Signature:

Date:

3. Committee A of the Board of Trustees/ CEO/ Principal/ Head Teacher /Head of School

Note to Chair of Committee A of the Board of Trustees/ CEO/ Principal / Head Teacher / Head of School

You should complete this form when replying to ensure that an application for phased retirement from age 55 has been properly considered. You must return this form to the employee as soon as is reasonably practicable.

I can confirm that:

Following our meeting on _____ I have considered your request for flexible retirement and I would be able to support your request as follows:

Your new working arrangement will begin from:

I can confirm that:

Following our meeting on _____ I have considered your request for flexible retirement and I am sorry but I must reject your request on the following ground(s):

Continue on a separate sheet if necessary

Signature:

Date:

PLEASE RETURN THIS FORM TO THE EMPLOYEE AND PLACE A COPY ON THE EMPLOYEE'S PERSONAL FILE