



Medway Council

Flexible Retirement Policy

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Lead Officer: Sam Beck-Farley, Chief Organisational Culture Officer



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1.0 Introduction

- 1.1 The Council strives to continuously improve the services it provides to Medway's residents and service users and recognises that a committed and motivated workforce is central in achieving this aim. It values the benefits of attracting and retaining a motivated, multi-skilled, flexible, diverse, and mixed age workforce.
- 1.2 Flexible Retirement is a way of enabling employees, who are aged 55 or over, to take some or all of their accrued pension benefits and continue working either on reduced working hours and/or in a lower graded role.
- 1.3 Offering employees Flexible Retirement choices, supports the Council's objectives of being an employer of choice, providing employees with options and flexibility, and valuing their diverse contributions to the organisation.
- 1.4 The Council supports flexible working arrangements for employees and by adopting this provision with the Local Government Pension Scheme (LGPS), the Council will retain the skills and experience, reduce recruitment costs, improve succession planning and creates development opportunities for peers.
- 1.5 Kent County Council administers the LGPS on behalf of Medway Council.

2.0 Scope

- 2.1 This policy relates to employees (except teachers) of the Council who are active members of the LGPS, have a qualifying membership of at least 2 years and will be aged 55 or over on the proposed date of retirement.

3.0 Equality Statement

- 3.1 The Council is committed to ensuring that no service user, employee, job applicant, those with care experience, partner, contractor, supplier or member of the public will be unlawfully discriminated, harassed or victimised on the grounds of race; ethnicity; nationality; ethnic or national origin; colour; disability; gender identity or presentation; marital or civil partnership status; maternity or pregnancy; family and caring responsibilities; sex; sexual orientation; age; HIV status; religion or belief; political beliefs; social class; trades union activity; or irrelevant spent convictions.

4.0 Our Values and Behaviours

- 4.1 This policy supports the Council's Values and Behaviours. The Council believes that a consistent approach to employee management and wellbeing is fundamental to the delivery of quality services, one of the aims of the policy is to support this belief.

5.0 Flexible Retirement Age

- 5.1 Employees can apply for Flexible Retirement to commence from any date on or after 55 years of age. (57 years of age from 06 April 2028).

6.0 Flexible Retirement Options

- 6.1 Rather than continuing in current working arrangements, an employee who meets the relevant criteria can, from age 55, request to either:

- reduce their hours; and/or
- be successful in being appointed into a lower graded job
- or use a combination of reduction in hours and grade.

and draw some or all of their pension benefits whilst continuing in employment and, if they wish, build up further benefits in the LGPS on the reduced hours or grade as long as they are under age 75.

- 6.2 Employees who are 55 years and above may apply for Flexible Retirement no earlier than 6 months before their intended Flexible Retirement start date. The retirement intentions of the employee should be made clear at the outset of any application for Flexible Retirement.
- 6.3 As Flexible Retirement involves a voluntary change to an employee's terms and conditions of employment, (i.e. reduction in hours and/or grade) pay protection will not apply and any previous pay protection arrangement will cease.
- 6.4 Pension benefits may be reduced if they are paid before the normal pensionable age.
- 6.5 Information about the pension scheme can be found at:
<https://www.kentpensionfund.co.uk/local-government/current-member-paying-in/retirement-and-taking-your-pension/flexible-retirement>
- 6.6 Employees are advised to seek independent financial advice with regard to the financial implications of flexible retirement in their specific circumstances.

a) Reduction in Hours

Where an employee requests Flexible Retirement with a reduction in hours, there will be a corresponding reduction in pay. Where such a request is agreed, the reduction in hours will be at least 40% of their working pattern. An employee accepting a reduction in hours under the Flexible Retirement scheme will not be permitted to increase their hours in any other future instance. For example, an employee taking flexible retirement will not be permitted to apply for a role within the organisation which would result in an increase of hours to that determined in their Flexible Retirement arrangement.

Where an employee requests Flexible Retirement with a reduction in hours of work, the business area will assess whether service provision can be sufficiently maintained should a reduction in hours be granted through the Flexible Retirement scheme.

b) Reduction in Grade

Where an employee requests Flexible Retirement with a reduction in grade (contractual pay), there will be a corresponding reduction in the level of duties and responsibilities. Where such a request is agreed, the reduction in grade should equate to at least 40% of the employee's total contractual pay. An employee accepting a reduction in grade under the Flexible Retirement scheme will not be permitted to increase their grade (contractual pay) in any other future instance. For example, an employee taking Flexible Retirement will not be permitted to apply for a role within the organisation which would result in an increase of their grade (contractual pay) to that agreed in their Flexible Retirement arrangement.

Agreement to a request for Flexible Retirement will be subject to a suitable post (at a lower grade) being available. Roles may be sourced through the '[Jobs](#)' section on [MedSpace](#).

c) Reduction in Grade and Hours

Employees may request Flexible Retirement with a reduction in grade and hours. Where such a request is agreed, the revised working arrangements should result in a reduction of at least 40% of the employee's contractual pay.

7.0 Applying for Flexible Retirement

- 7.1 Employees should apply for Flexible Retirement via the Flexible Retirement Request form.
- 7.2 In applying for flexible retirement, a pension estimate will be sought from The Kent Pension Fund and sent directly to the employee.

8.0 Determining Requests for Flexible Retirement

- 8.1 Each request for Flexible Retirement will be considered on its individual merits and agreement will be subject to the economic and/or operational considerations of Medway Council, taking account of the future needs of the service/organisation and a range of appropriate factors such as:
 - Service redesign
 - Service delivery
 - Employee retention
 - Costs (paid by Medway Council - see Section 9.0)
 - Skills and knowledge transfer
 - Workforce planning
 - Succession planning
 - Career development
 - Recruitment
- 8.2 Flexible Retirements are concessionary, and approval shall be sought for the early release for the pension benefits from the line manager, Assistant Director and the Chief Organisational Culture Officer.

Taking your pension

If you take flexible retirement before your normal pension age your benefits may be reduced for early payment.

The reduction is based on the length of time that you retire early. This is the period between the date your benefits are paid to your normal pension age. The earlier you retire the greater the reduction.

If you take flexible retirement after your normal pension age your pension, and any lump sum, will be increased to reflect late payment.

9.0 Costs and Payments

- 9.1 The employee's age and length of membership in the pension scheme will determine the benefit to the employee of taking their pension early under this flexible provision.
- 9.2 Any costs arising (payable by Medway Council) for the early release of the pension benefits, will be advised to the service and will be one of the factors taken into account when deciding the Flexible Retirement request.

10.0 Employer Discretions

- 10.1 In accordance with the pension regulations, pension benefits may be reduced if they are paid before the normal pension age. It is not Medway Council's general policy to waive any actuarial reduction unless there are exceptional circumstances. Each case will be considered on its merits by the relevant Corporate Director, the Chief Organisational Culture Officer and Section 151 Officer.
- 10.2 A deferred member from age 55 can request payment of their deferred benefit before their normal pension age. It is not Medway Council's general policy to waive any actuarial reductions applied to benefits paid early or where a scheme member has previously been awarded a deferred benefit. Whether employers consent is required is dependent on the date that the member left.
Each case will be considered on its merits by the relevant Corporate Director, the Chief Organisational Culture Officer and Section 151 Officer.

11.0 The Decision

- 11.1 A letter containing the decision aims to be sent, by post or email, to the employee, within 8 weeks of submitting their Flexible Retirement application. This will allow the KCC Kent Pension Fund team to process the pension estimate and cost request, within their 20-working day processing time agreement.

12.0 Appeals

- 12.1 If an application for Flexible Retirement is refused, the reasons for the refusal will be issued in writing to the employee by the manager.

- 12.2 If the employee does not agree with the decision, they may appeal. Any appeal should be made in writing or by email and submitted to Samantha Beck Farley, Chief Organisational Culture Officer, within 5 working days of the date on the decision notification letter.
- 12.3 The appeal will be heard in a hearing meeting by an Assistant Director or Director from a different service area to where the employee works. The employee may be accompanied at the hearing by a trade union representative or work companion.
- 12.4 The employee will be given 10 days' notice of the date scheduled for the appeal hearing.
- 12.5 The decision made following the hearing is final, with no further rights of appeal to the employee.
- 12.6 The employee will be notified of the outcome of the appeal hearing within 5 working days of the hearing, by letter, via post or email.

13.0 Further Information

Kent County Council (the pension administrator) offers a free pre-retirement course for employees who are within 18 months of taking their pension. Details can be found at [Pre-Retirement Course](#).

Information about pensions can be found here:

[The Retirement Process](#) (KCC website)
[Early Retirement](#) (KCC website)
[Flexible Retirement](#) (KCC website)

14.0 Data Protection and Privacy

- 14.1 Medway Council will manage records efficiently and systematically, consistent with the General Data Protection Regulation (GDPR), the Data Protection Act 2018 (DPA18) and the Lord Chancellor's Code of Practice on Records Management, supporting the business objectives of the Council and meeting legislative, regulatory, funding and ethical requirements.

Version history

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