



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES COMMITTEE
DATE:	10 FEBRUARY 2011
REPORT OF THE:	HEAD OF ORGANISATIONAL DEVELOPMENT LOUISE SANDALL
TITLE OF REPORT:	FLEXIBLE RETIREMENT POLICY AND PROCEDURE
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to recommend for approval the new Council policy for Flexible Retirement.

2.0 RECOMMENDATION

2.1 That Council is recommended to approve the adoption of the Flexible Retirement Policy.

3.0 REASON FOR RECOMMENDATION

3.1 With the requirement of ongoing efficiency savings it is important that there is a framework for managers and employees to access when considering any exit strategy in relation to Flexible Retirement from the working environment.

3.2 Ryedale District Council values the knowledge, experience and skills of all its employees and is committed to having a flexible approach to retirement.

3.3 To ensure that Ryedale District Council is compliant and consistent when applications for flexible and / or early retirement are being considered.

4.0 SIGNIFICANT RISKS

4.1 There are no significant risks in adopting the policy.

REPORT

5.0 BACKGROUND AND INTRODUCTION

5.1 The Flexible Retirement Policy applies to all employees who are members of the

Local Government Pension Scheme (LGPS).

5.2 The LGPS is a nationwide scheme and requires consistency in the interpretation of its rules, regulations and guidelines wherever possible.

5.3 Under the local Government Pension Scheme (LGPS) Regulations the Council has the discretion to allow an employee to reduce their working hours and/or undertake a lower graded post whilst being able to be in receipt of some or all of their LGPS benefits early. This is known as flexible retirement.

5.4 For employees who are not members of the LGPS, they may request flexible working through the Council's Flexible Working Request Policy.

6.0 POLICY CONTEXT

6.1 This policy is in accordance with the Council's policy framework.

7.0 CONSULTATION

7.1 The policy and procedures have been developed in consultation with North Yorkshire County Council as custodian of the LGPS, Staff Focus Group, UNISON and Management Team.

8.0 REPORT DETAILS

8.1 There are significant benefits for both employees and the Council as a whole by enabling employees to take advantage of the flexible retirement provisions. For example:

- It enables a person to ease his or her way into retirement;
- It enables the Council to retain the skills and expertise of an individual which may otherwise be lost thereby protecting the quality of the Council services through the retention of skilled and experienced employees;
- It provides greater flexibility and choice for employees;
- It takes account of demographic changes in the population as a whole and in the working population in particular;
- It provides equality of opportunity and fairness for employees;
- It enables employees to strike an effective work/life balance and complements the Council's existing work life balance policies and its aim of being an employer of choice.

8.2 Rather than continuing in employment with Ryedale District Council to 65 or beyond it is possible to consider Flexible Retirement from age 55, if an employee reduces their hours or moves to a less senior position. Provided the Council agrees, the employee can draw some or all of the pension benefits they have built up so helping ease them into retirement.

8.3 The Procedure details the process for employees to follow should they wish to express an interest in flexible retirement and also what the line manager needs to consider. This can be found at Annex A.

8.4 In all cases, employees must receive advice as to how flexible retirement will affect their net pay and pension entitlement, as an employee's pension will normally be actuarially reduced if paid before age 65. In addition, any job held while in receipt of

pension benefits may attract a higher rate of tax. While the Council will provide necessary pay and pension figures, the employee will be encouraged to seek independent financial advice prior to pursuing flexible retirement.

- 8.5 A full appraisal will be carried out to establish both the financial and service delivery implications on the Authority of any application.
- 8.6 There is no guarantee that an application for Flexible Retirement will be approved, the final decision is with the Head of Service and Corporate Director
- 8.7 The Policy and Procedure will be reviewed annually in line with any legislative changes as informed by the LGPS.

9.0 IMPLICATIONS

- 9.1 The following implications have been identified:
 - a) Financial
Officer delegation on this matter is limited to working within the existing budgetary framework, there are therefore no new financial implications in approving the policy.
 - b) Legal
The policy and procedure is compliant with current legislation.
 - c) Other
There are no significant other implications in considering this recommendation.

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Background Papers:
None.

Background Papers are available for inspection at:
N/a