

The Highland & Western Isles Valuation Joint Board

Flexible Retirement Policy

Introduction

The Highland and Western Isles Valuation Joint Board recognises the importance of developing a flexible workforce to continue to deliver a high standard of services to its customers. The Board values the retention of the skills of staff and is committed to supporting employees into retirement while maintaining service provision.

Flexible retirement is an integral part of the Board's approach to retaining employees with the skills, abilities and experience needed to deliver the Board's objectives and support organisational transformation and business change.

Flexible retirement allows employees to apply to reduce their work commitments for a specific period leading up to the date on which they chose to retire from the Board's employment. This reduction allows the employee to remain in employment and benefit from their pension provision subject to certain restrictions.

Aims

The aims of this policy are to:

- provide flexible options for employees seeking to improve their work life balance as they approach retirement
- support flexibility and assist with workforce planning
- complement the Board's existing flexible working policies and its role as a progressive employer

Principles

The option to apply for Flexible Retirement applies to all employees who have at least 2 years' service with the Local Government Pension Scheme (LGPS), and are aged 55 or over.

Employees who apply for flexible retirement are required to resign from employment of the Board, indicating a leaving date up to 3 years ahead. The period of notice of resignation given will be equal to the period of flexible retirement. The reason for termination at the end of the period of flexible working will be the resignation of the employee.

During the period of flexible retirement the employee can continue to pay pension contributions and accrue further pension service and benefits provided their hours

reduce by 40% or there is a reduction in the grade of post. The earliest an employee could access their benefits would be age 60.

The employee will be responsible for the cost of any actuarial reduction, to their pension benefits which will be drawn (ie amount employee's pension is reduced if taken before an employee's normal pensionable age).

Employees may apply to reduce the hours of their existing post and/or may apply for a vacant post at a lower grade. Where an employee applies for a vacant post they will do so following the standard recruitment process and in competition with other candidates.

Employees may apply to change their conditions of service again but not within 12 months of their original change and their new earnings must not exceed 40% of their original earnings.

The Assessor will consider each request on its merits, carefully considering the benefits and impact on applicant and colleagues, including cost implications, for the department.

Procedure

Applications for flexible retirement will be considered in line with the above principles by the Assessor within 28 days of receiving the request. In considering a request for flexible retirement the following factors should be considered:

- will there be any detrimental effect on service delivery
- benefits which may arise from the implementation of the request
- any cost implications i.e. will this result in savings or increased costs
- ensure that any flexible working arrangement is fair and equitable to all employees in the team
- the need to recruit to the reduced hours to cover the duties and functions carried out by the employee concerned
- the ability to reorganise or undertake the work which is required to be carried out by other staff or through other means
- the existence of any vacancy on the establishment
- the need or desire to reorganise the way in which the Board's services are delivered

An estimate of pension benefits with any actuarial costs will be provided within 14 calendar days of the Highland Council Pension Section receiving the application form. Where net savings can be achieved, the employee will be given the estimate.

In the case of a request to reduce grade, the Pension Section will issue the estimate of benefits where a vacancy at the lower grade exists.

The employee is required to confirm in writing whether they wish to proceed or not with their request, included in this letter should be the date of resignation. The employee should seek advice from an independent financial adviser on the financial

implications to reduce hours or salary grade. It will be the employee's responsibility for arranging such independent advice.

If confirmation is not received from the employee within 21 working days following receipt of an estimate of pension benefits and any actuarial cost, the Board will have no obligation to progress the request. If the department cannot support the request, the employee will be notified of the reason in writing within 14 days.

Employees have the right of appeal against a decision to refuse a flexible retirement request and if exercising this right should do so in writing to the Office and Support Manager within 10 working days of being notified of the Assessor's decision. The letter should outline the reason for the appeal. An appeal cannot be based on the actuarial cost incurred by the employee.

Guidance

Guidance, information and tools will be developed and maintained in partnership through the Highland Council Partnership Framework.

Legislation

The development and application of this policy is guided by:

- Equalities Act 2010
- The Local Government Pension Scheme (Scotland) Regulation 2014

Monitoring

The application of this policy will be monitored through the Highland Council Partnership Framework and the Highland Council Resources Committee. Costs relating to Flexible Retirement requests will be reported to the Valuation Joint Board.

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