SCHOOL

FLEXIBLE RETIREMENT POLICY AND PROCEDURE

DATE

Mae'r ddogfen hon ar gael yn Gymraeg. This document is available in Welsh.

DATE DOCUMENT PUBLISHED	**July 2025**
APPROVED BY	**SAJC**
APPROVAL DATE	**July 2025**
DOCUMENT OWNER	**Employee Relations Team**

If you have any feedback on how we might improve our HR policies and guidance please email ERTeam@cardiff.gov.uk with your suggestion

Os oes gennych chi unrhyw adborth ar sut y gallem wella ein polisïau a'n canllawiau Adnoddau Dynol anfonwch e-bost at TimER@caerdydd.gov.uk gyda'ch awgrym

SECTION NO.	CONTENT	PAGE NO.
1.	Introduction Scope Key Principles Roles and Responsibilities	3. 3. 3. 5.
2.	The Procedure Application and Decision Making Appeals	7. 8.

SECTION 1 - INTRODUCTION, SCOPE, KEY PRINCIPLES, ROLES AND RESPONSIBILITIES

INTRODUCTION

1.1 The Council and its Schools are committed to flexible working and have a range of policies and procedures that enable employees to manage their work/life balance and at the same time continue to deliver great customer service.

1.2 Flexible Retirement is a discretionary element of the Local Government Pension Scheme (LGPS) and although the Council is obliged to formulate and publish its policy on Flexible Retirement, it is not obliged to have a scheme. However, taking account of the Council's and Schools commitment to flexible working there are benefits to both the Council and employees in having a Flexible Retirement Policy.

1.3 Flexible Retirement is a provision contained in the Local Government Pension Scheme that allows employees who meet the age requirements, and have had a reduction in hours or grade, to draw their accrued pension benefits whilst remaining employed by the Council/Schools.

1.4 This document sets out the Council's policy on Flexible Retirement and the procedure for implementation. It must be read in conjunction with the Council's LGPS Discretions Policy which formally sets out the Council's application of the LGPS discretions.

SCOPE

1.5 This Policy and Procedure applies to all permanent school employees regardless of age, disability, gender reassignment / affirmation, marriage and civil partnership, pregnancy and maternity (including same sex), race, religion or belief, sex, sexual orientation and Welsh language.

KEY PRINCIPLES

1.6 Although eligible employees have the right to apply for Flexible Retirement, approval will be at the sole discretion of the Council/School in accordance with the provisions of this policy.

Employees who are members of the Local Government Pension Scheme

1.7 Only those employees who satisfy the following conditions may apply for Flexible Retirement:

(a) They must be members of the Local Government Pension Scheme and meet the vesting period of 2 years.

(b) Under the provisions of the LGPS scheme employees must be aged 55 or over.

(c) There must be a permanent reduction in hours and/or grade of at least 25%

(d) Where appropriate, employees must give an undertaking that if their application is approved they will continue to work for the Council for an agreed length of time.

Employees who are members of the Teachers' Pensions Scheme

1.8 Under the provisions of the Teachers' Pension Scheme flexible retirement is referred to as 'Phased Retirement'. For the purposes of this policy and procedure, the term 'Flexible Retirement' will be used as a generic term for all eligible employees. Employees who are members of the scheme must be:

(a) Aged 55 or over.
(b) Have their pensionable salary reduced by at least 20% of the average salary received in the previous 6 months.
(c) The reduction in salary has to be for a minimum of 12 months.

All Applicants

1.9 Serious consideration will be given to all written requests for Flexible Retirement, however approval will only be given where there is a sound financial business case for doing so.

1.11 Upon flexible retirement the employee will receive accrued pension benefits (i.e. pension earned up to the date of retirement) plus any lump sum payment. However, if the benefits become payable before the employee's Normal Pension Age (NPA), they may be actuarially reduced to take account of early payment. Normal Pension Age is linked to the employee's State Pension Age (SPA).

1.12 Broadly, for LGPS members the effect of actuarial reduction may be as follows:

- If the employee was an active member of the LGPS as at 30 September 2006 and satisfies the 85 Year Rule when flexibly drawing their benefits, they will have some form of protection.
- If the employee joined the LGPS on or after 01 October 2006, the 85 Year Rule does not apply and their benefits will be reduced in full regardless of their age. However, the closer to their NPA that they retire, the less any reduction to their benefits will be – further details can be obtained from www.lgpsmember.org

1.13 Where there is a pension reduction this is permanent and will remain even after normal retirement age has been reached. For members of the LGPS the Council may waive a pension reduction in appropriate cases, but should only do so in exceptional circumstances, for example on exceptional compassionate grounds. Approval from the Governing Body and Education finance will be required.

1.14 A successful request for Flexible Retirement will result in a permanent change to the employment contract, the employee may continue contributing to the pension scheme and earn an additional pension to be accessed when eventually they fully retire.

1.15 Employees will only be allowed to retire flexibly once.

1.16 If a request for Flexible Retirement is turned down the employee will be provided with a written explanation of the reasons why the request cannot be accommodated.

1.17 If an employee feels that a request has not been given due consideration, an appeal can be made to the Grievance Committee.

1.18 **Final approval will be required from the Chief HR Officer or nominated representative, Corporate Director Resources and the Section 151 Officer.**

1.19 This policy and procedure will be reviewed periodically to take account of operational experience and/or any subsequent legislative changes.

1.20 Although an employee can be given details of their estimated pension entitlement to inform a decision about Flexible Retirement, the Council cannot give financial advice.

1.21 Annual pension payments are subject to tax deductions, the rate of which will be determined by the level of the pension payments made. The pension lump sum payment is not subject to deductions.

1.22 This policy has been written to include, so far as is reasonable, preventative procedures in relation to Corporate Criminal Offence, pursuant to section 45(2) of the Criminal Finances Act 2017.

ROLES AND RESPONSIBILITIES

1.23 It is important that everyone clearly understands their roles and responsibilities in the application of this policy and procedure.

Employee Responsibilities:

1.24 All employees must:

- Complete the relevant paperwork as detailed in this document.
- Co-operate with management in the effective implementation and monitoring of the policy.

Headteacher Responsibilities:

1.25 In addition to their responsibilities as employees, headteachers must:

- Operate the policy fairly and reasonably with no detrimental effect on overall efficiency or service.
- Communicate to the employee the progress of their application.
- Ensure that when agreed requests for flexible retirement are made, consideration should be given that the requests will not have a detrimental affect on the needs of pupils, the school and other employees.
-

Chief HR People Services/ Nominated Representative and Chief Finance Officer Responsibilities:

1.26 These post holders must consider applications fairly and reasonably and as consistently as possible.

HR People Services Responsibilities:

1.27 The responsibilities of HR People Services are to:

- Where applicable, obtain pension quotes for employees.
- Provide advice and support to managers on the policy and procedure.
- Confirm arrangements in writing and notify the LGPS team or Teachers' Pensions.

Payroll responsibilities:

1.28 Payroll will make the necessary amendments to employee's pay (where applicable).

Local Government Pension Team

1.29 Carry out the necessary administration for employees to access their pension.

The Committee's Responsibilities are to:

- Familiarise themselves with the school flexible retirement policy and guides.
- Consider applications fairly and consistently whilst ensuring the needs of the school and its pupils are met.
- Ensure that the clerk accurately records the committee's discussions and decision in writing and the reasons for the decision and presents accurate minutes.

The Clerk's Responsibilities are to:

- Familiarise themselves with the school flexible retirement policy and guides.
- Arrange the date, time and place for the appeal hearing, seeking agreement to dates from members of the committee, the employee, their trade union representative/companion and the headteacher.
- Distribute all documentation required for the appeal hearing.
- Record the proceedings in the form of minutes (including deliberations by the committee), decisions and reason for those decisions.
- Record all procedural advice.

SECTION 2 - THE PROCEDURE

APPLICATION AND DECISION MAKING

2.1 Employees who wish to apply for Flexible Retirement must discuss this with their headteacher/relevant manager in the first instance. The Headteacher/manager, will ask HR People Services to request the pension estimate and any costs from Financial Services. To allow sufficient time for the financial information to be requested and returned, and for the headteacher/manager to consider the request, the employee should give at least 12 weeks' notice in advance of their desired Flexible Retirement date. In the case of Teachers, notice should coincide with the usual notice provisions, unless otherwise agreed.

2.2 Once received, HR People Services will request pension information from the Pensions Section. Once in receipt of the pension information HR People Services will write to the employee providing details of their estimated retirement benefits and separately write to the headteacher to provide details of any financial costs to the school. In the case of Teachers' Pensions, the employee must apply direct to Teachers' Pensions for the pension estimate.

2.3 The headteacher will arrange a meeting with the employee within 14 working days of the receipt of the financial information to discuss the application. The employee has the right to be accompanied at this meeting by either a trade union representative or a work colleague. The headteacher, in consultation with the chair of governors will consider any written request for flexible retirement HR People Services will provide advice and guidance where requested.

2.4 In circumstances where the application for Flexible Retirement is not supported, the headteacher will write to the employee within 14 working days of the meeting advising that the request is not approved stating the reasons for refusal.

2.5 If the application for Flexible Retirement is supported in principle, the

headteacher must ask the employee to complete the Flexible Retirement application form (Link). The headteacher will complete the business case in support of the application which should include the following factors :

- Service/curriculum delivery implications.
- Cost implications.
- Benefits to the Council/School
- Recruitment / Retention issues
- The merits of the employee's request.
- Where appropriate, the case for waiving any pension reduction.
- Proposed minimum length of employment.

The application form/business case must be submitted to the Chief HR Officer or nominated representative and to the Corporate Director Resources for approval.

2.6 The Chief HR Officer or nominated representative and the Corporate Director Resources will consider the

business case and advise the relevant headteacher (or nominated person) whether it is approved or not.

2.7 HR People Services will advise the employee of the result of the application. Where the request has been approved arrangements for the Flexible Retirement and variation of contract will be processed accordingly.

2.8 In the case of the LGPS scheme, the Pensions team will be notified of the Flexible Retirement, and they will then communicate directly with the employee about arrangements for the payment of the pension benefits. In the case of Teacher's Pensions', the member must apply direct to Teachers Pensions' in order to access their pension benefits.

Appeals

2.9 The employee can appeal against the decision by the headteacher not to approve Flexible Retirement by writing to the clerk to the governing body, outlining the reason for the appeal. The appeal must be made within **7 working days** of the date of the letter giving the decision.

2.10 The grievance appeal committee will meet with the employee and their companion within 14 working days of the appeal.

2.11

A decision regarding the appeal must be considered objectively and will be given to the employee, in writing within 14 working days, following the appeal meeting. If the appeal is unsuccessful, the reasons for that decision will be given with no further right of appeal.

2.12 If the appeal is successful points 2.5-2.8 will be followed for final financial approval.

RELATED DOCUMENTATION:

Flexible Retirement Application Form
Flexible Retirement - Guidance Notes for Managers
Flexible Retirement - Guidance Notes for Employees
LGPS Discretions Policy
Teachers' Pensions website