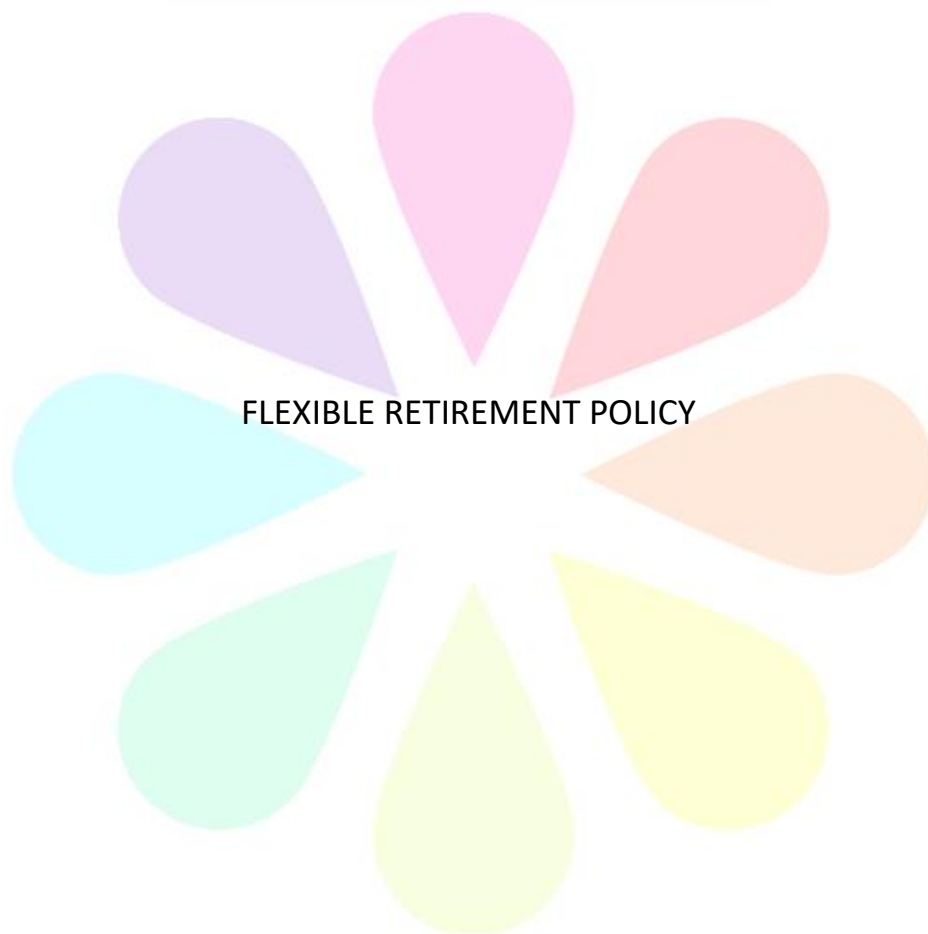




Special Partnership Trust



FLEXIBLE RETIREMENT POLICY

Date Last Reviewed: June 2022 (updated September 2023)

Review Date: June 2024



Special Partnership Trust

Flexible Retirement Policy for Members of the Local Government Pension Scheme

To be read/used with the Flexible working policy

This policy is written in line with the National website for members of the LGPS in England and Wales and is subject to the provisions as set within the scheme as detailed on the website: [LGPS member site](#)

The Special Partnership Trust (the Trust) is required, as an employer, to outline how it intends to use its discretionary powers when dealing with decisions it may have to make regarding Local Government Pension Scheme (LGPS) matters. The Trust subscribes to Cornwall Council Pension Fund and Devon County Council Pension Fund and adopts the latest recommended statement from the respective LGPSs.

The Local Government Pension Scheme (“LGPS”) in England and Wales was amended with effect from 1 April 2014. The provisions of the amended LGPS are now contained in the 2013 Regulations (Statutory Instruments 2013 No. 2356), the 2014 Regulations and the 2018 Regulations (amendments). This policy statement relates to the exercise of the employer discretions contained in the above regulations, therefore whilst it represents the views of the respective LGPS funds it should not be treated as a complete and authoritative statement of the law. The Trust may or will seek to take its own legal advice on the interpretation of any particular regulation(s).

To ensure value for money and financial stability, the Trust has adopted an approach which is relevant to the size, finances and current staffing levels. In addition, the decisions regarding the discretionary powers have been taken to ensure the affordability of the scheme to all members. The statements outlined in this policy must not limit or bind how the Trust uses the discretions afforded by the scheme(s).

All requests to the Trust for the consideration of the application of discretions should be made in writing, with supporting documentation, to the Chief Finance Officer. The Special Partnership Trust is committed to equality and this policy has been created in accordance with the Equality Act 2010 and with regard to age regulations.

Policy:

In accordance with the Local Government Pension Scheme Regulations employees aged 50/55 and over and who are members of the Local Government Pension Scheme (LGPS) can request payment of their accrued pension benefits whilst remaining in the Trust’s employment on reduced hours and/or a lower grade. The payment of such benefits is subject to the Trust’s agreement. The Trust is required to formulate and publish a policy on flexible retirement.

In terms of its benefits to the Trust and employees, flexible retirement may:

- be an effective means to reduce capacity
- help to avoid redundancies and associated costs
- help to facilitate reorganisations
- facilitate the retention of expertise and knowledge

- enable the Trust to retain or attain a balanced age profile within the workforce
- assist employees to ease down into retirement

In formulating its policy, the Trust needs to consider the potential benefits of permitting flexible retirement, its cost and the extent to which exercising this discretion might affect public confidence.

The Trust must also be mindful of legislation designed to stop discrimination on the grounds of age. Therefore, any policy that permitted employees to flexibly retire only on or after age 60, or prior to age 60 where an employee has not already met the 85-rule before age 60, could be challenged on grounds of age discrimination. (The '85-rule' refers to Regulations that permit employees whose combined age and pensionable service is 85 or more to retire early (*with their employer's agreement*) without any actuarial reduction in their pension).

It is important to appreciate that once an employee is permitted to flexibly retire, he or she is not bound to remain in the Trust's employment: leaving the Trust's employment after flexible retirement, or taking up another job in local government, will not affect an employee's pension benefits in any way.

Proposals

Having regard to the various considerations outlined above, the Trust's policy on flexible retirement is:

(a) That requests for flexible retirement will be agreed only where there is a benefit to the Trust (either operational or financial).

(b) That requests for flexible retirement will be agreed only where an employee's reduced level of earnings together with his or her pension benefits do not exceed his or her pre-retirement salary. (To do otherwise might affect public confidence).

(c) Where flexible retirement is agreed, the Trust will not waive any actuarial reduction in an employee's pension benefits. In circumstances where there would be a cost to agreeing an employee's flexible retirement (when he or she meets the 85 rule) this cost will be charged to the Academy concerned and must be recovered within a three year period (in same way that redundancy costs must be recovered).

(d) Employees may elect to receive all or part of their benefits earned at retirement. Any election to receive just part of the benefits does however relate to those earned from 1 April. All benefits earned up to 31 March must be taken at retirement.

Requests for flexible retirement will be determined by CEO subject to (1) Human Resources and agreement that they conform to the Trust's policy and (2) consultation with and agreement of the Chair of Trustees.

Resources

Where an employee does not meet the 85-year rule and is permitted to flexibly retire before age 65, his or her benefits are reduced in accordance with guidance issued by the Government Actuary. Therefore, there are no employer costs associated with flexible

retirement, unless an employer elects to waive any actuarial reduction to an employee's benefits.

Where employees meet the 85-year rule their benefits are not actuarially reduced which can result in significant costs to the Pension Fund for employees retiring below the age of 60. These costs will be charged to the Academy and must be recovered within a three year period.

Age

For employees who were members of the Local Government Pension Scheme prior to 1 April 2008, the age requirement is 50. This will move for all pre April 2008 members to age 55 from April 2010.

For members joining on or after 1 April 2008 the earliest at which pension benefits can be paid is from age 55.

