

RETIREMENT AND FLEXIBLE RETIREMENT POLICY

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1. INTRODUCTION

Retirement is an important personal decision and a significant stage in an employee's working life. Tendring District Council values the contribution employees make throughout their careers and is committed to providing helpful information and support as they consider their options and plan for retirement.

The Council wishes to make the retirement process as clear, supportive and straightforward as possible, recognising that each employee's circumstances will be different. This policy explains the options, arrangements and sources of support available, while helping the Council to plan effectively and maintain its services.

There is no compulsory retirement age at the Council and employees can choose when retirement is right for them. Employees will not be expected to retire simply because they have reached a particular age. Any retirement arrangements will be considered fairly and in accordance with relevant employment and equality legislation, and the rules of the Local Government Pension Scheme (LGPS).

2. RETIREMENT

If you are thinking about retiring, speak to your line manager as early as possible. This helps you and the Council plan for your departure, including any handover or knowledge transfer. You must notify the Council in writing, giving at least your contractual notice and, wherever possible, three months' notice, in line with the Essex Pension Fund administration requirements. Include your intended retirement date and complete the form at the end of this policy.

2.1 Retirement Process

Step 1: Initial Discussion

Have an informal discussion with your line manager about your plans and possible retirement date. This is an opportunity to discuss timing, handover and any initial questions. The Council cannot provide personal financial or regulated pension advice, and you may wish to obtain independent financial advice.

Step 2: Pension Information

Before making a final decision, request pension information and an estimate from Essex Pension Fund through the Payroll and Payments Team. Any figures provided are estimates until Essex Pension Fund confirms your benefits.

Step 3: Formal Notification

Give written notice of retirement to your line manager, giving at least your contractual notice and, wherever possible, three months' notice before your intended retirement date. Your line manager will complete a Termination Form on TED to process your resignation.

Step 4: Confirmation

The People Team in consultation with the Payroll Team will confirm:

- Acknowledgement of your retirement date.

- Final working arrangements.
- Outstanding annual leave arrangements.
- Any pension-related administrative processes.

Step 5: Leaving Process

You will complete the Council's standard leaving process, including:

- Return of any Council property.
- Knowledge transfer and handover arrangements.

3. FLEXIBLE RETIREMENT

Flexible retirement enables the Council to retain valuable organisational knowledge, skills and experience, supporting effective knowledge transfer, succession planning and continuity of service. At the same time, it gives eligible employees the option to access their pension benefits while continuing to work for the Council in a reduced capacity, allowing them to make a gradual and flexible transition into retirement.

The Local Government Pension Scheme (LGPS) allows eligible employees to take some or all of their pension benefits while continuing to work with reduced hours or at a lower grade, if the Council agrees. You must normally be aged 55 or over and have met the LGPS two-year qualifying period. The earliest age will increase to 57 from 6 April 2028, subject to the LGPS rules in force at the time and any protected pension age or other statutory exception. You can normally continue paying into the LGPS in your reduced role and build up further benefits. LGPS benefits must be brought into payment by age 75.

Flexible retirement can involve a reduction in hours, a move to a lower grade, or both. Applying is entirely your choice. No employee will be pressured or encouraged to retire because of their age. Retirement discussions must be handled sensitively, consistently and in accordance with the Equality Act 2010.

3.1 Who can apply for flexible retirement?

For an employee to be eligible to make an application for flexible retirement, they must demonstrate that they meet the following criteria:

- a) You must be employed by Tendring District Council and be an active member of the LGPS. Eligibility does not depend only on whether your contract is permanent or fixed-term.
- b) You must have met the LGPS two-year qualifying period, or any alternative qualifying requirement that applies under the Scheme rules.
- c) You must have reached the minimum pension age that applies under the LGPS, subject to any protected pension age or statutory exception.
- d) You must permanently reduce your contractual hours by more than 25%, move to a post at least one grade lower, or both. These are Council policy requirements rather than requirements of the LGPS Regulations. They will be applied consistently, taking account of individual circumstances, the Equality Act 2010 and the duty to make reasonable adjustments where applicable.

The Council will consider whether the proposed reduction in hours or grade can be accommodated while maintaining effective service delivery.

Example:

- An employee working 37 hours a week asks to reduce their hours by more than 25% and take their pension benefits.
- They complete the Flexible Retirement Notification Form and explain how the proposed arrangement could work.
- Their line manager prepares a business case, including service and cost implications.
- If approved, the employee starts the revised working arrangement and the approved pension benefits are brought into payment.
- The employee normally remains in the LGPS for their continuing employment and builds up further benefits unless they opt out.

3.2 How to apply for flexible retirement

Under this policy, the Council considers the proposed reduction in hours or grade together with the release of pension benefits as one flexible-retirement application. A statutory flexible-working request is separate. If you also want to make a statutory flexible-working request, you must apply separately under the Council's Flexible Working Policy. That request will be considered under the statutory procedure and the ACAS Code of Practice. A decision under one process does not determine the outcome under the other.

How to apply

1. **Complete the form** at the end of this policy and send it to your line manager at least three months before the proposed start date.
2. **Explain your proposal**, including the hours, grade or working pattern you are requesting and how you think it could work in practice.
3. **Consider the financial effect** on your pay, pension and wider circumstances. The Payroll and Payments Team will ask Essex Pension Fund for an estimate and confirm whether there would be a cost to the Council. Pension figures are estimates until confirmed by Essex Pension Fund.
4. **Your manager will prepare a business case.** The process includes obtaining pension estimates, considering the business case and confirming any financial implications, and may take several weeks. Your manager will keep you reasonably informed of progress and you will be notified of the outcome in writing.

If your flexible-retirement proposal depends on securing another post through a recruitment process, you must still submit a flexible-retirement application. Approval will depend on the outcome of the recruitment process, the requirements of this policy and confirmation that the relevant pension benefits can be paid.

4. HOW YOUR APPLICATION WILL BE CONSIDERED

What your line manager will consider

- The effect on service delivery and whether the work can be reorganised.
- Any recruitment, restructuring, consultation or approval that may be needed.
- The financial effect, including any pension cost to the Council.
- The information provided with the application.

- The benefits or disadvantages for the service, including skills retention, knowledge transfer and succession planning.
- Consistency with comparable cases, while deciding each application on its own facts.
- Any alternative options if the request cannot be approved.

Your line manager will set out the relevant information and recommendation in a business case. **The application will then follow this decision process:**

1. **Corporate Director review:** The relevant Corporate Director will review the application and business case.
2. **Workforce Panel advice:** The Corporate Director will refer the application to the Workforce Panel, comprising the Section 151 Officer (the Council's chief finance officer) and the Head of People. The Panel may endorse the application and provide advice, but it does not make the decision.
3. **Formal decision:** After considering the Panel's advice, the relevant Corporate Director will approve or refuse the application under Part 3 of the Council's Constitution.
4. If the proposal involves regrading, restructuring or a change in staffing levels, it must be referred to the Chief Executive, via the Workforce Panel, in their role as Head of Paid Service.

In respect of an application from the Head of Paid Service or Corporate Director, a business case will be created by the Director of People and then considered through the appropriate constitutional decision-making route.

5. ADDITIONAL INFORMATION

You can have only one flexible-retirement arrangement for pension benefits already brought into payment. There is no trial period and, once those benefits are being paid, the pension decision cannot simply be reversed. You and the Council may later agree a further change to your hours, grade or working arrangements under the relevant Council procedure, but this will not reverse the pension decision or create a second flexible-retirement event for benefits already taken.

If your application is refused, you may appeal in writing under the Council's Grievance Appeals Procedure. Wherever practicable, an appropriately authorised manager who was not involved in the original decision will consider the appeal.

When your revised working arrangements begin, you will normally remain an active member of the LGPS and build up further pension benefits from your continuing employment, unless you choose to opt out.

Flexible retirement is different from retiring and later being re-employed. Under flexible retirement, you remain employed under revised contractual arrangements while the approved pension benefits are brought into payment. The effect of any later employment on your pension will be determined under the LGPS rules and Essex Pension Fund requirements in force at the time.

6. PAYMENTS AND COSTS

Taking pension benefits early may reduce the amount paid because the benefits are expected to be paid for longer. This is called an **actuarial reduction**. The effect will depend on your age, LGPS membership and the benefits you choose to take.

Flexible retirement will normally be approved only if it creates no additional pension or other cost for the Council. A **pension strain cost** is an additional cost to the Council caused by paying pension benefits early. In exceptional cases, the Council may consider waiving all or part of an actuarial reduction on compelling compassionate grounds. Because this would fall outside the normal nil-cost position, it must follow the appropriate approval route under the Council's Constitution, LGPS employer discretions policy and financial delegations. Advice will also be obtained from Essex Pension Fund.

For your continuing employment, you may choose the LGPS 50/50 section. This means paying half the normal pension contributions and building up pension at half the normal rate while you are in that section. Obtain pension information before making this choice.

When flexible retirement begins, your contribution rate for the continuing employment will be based on your reduced pensionable pay. The contribution bands applying from 1 April 2026 are shown below.

Pensionable pay from 1 April 2026	Main section rate	50/50 section rate
Up to £18,400	5.5%	2.75%
£18,401–£29,000	5.8%	2.90%
£29,001–£47,300	6.5%	3.25%
£47,301–£59,800	6.8%	3.40%
£59,801–£84,000	8.5%	4.25%
£84,001–£119,100	9.9%	4.95%
£119,101–£140,400	10.5%	5.25%
£140,401–£210,700	11.4%	5.70%
£210,701 or more	12.5%	6.25%

Contribution bands are reviewed each year and may change. The Payroll and Payments Team will apply the rate in force at the time.

7. FURTHER INFORMATION

For more information about the LGPS, contact Essex Pension Fund. You can request a flexible-retirement estimate through the Payroll and Payments Team. Use the State Pension age calculator on GOV.UK for State Pension information.

Check your LGPS records or contact Essex Pension Fund for your LGPS Normal Pension Age and benefit information.



RETIREMENT/FLEXIBLE RETIREMENT NOTIFICATION FORM

Complete this form for either retirement or flexible retirement. For retirement, give at least your contractual notice and, wherever possible, three months' notice. For flexible retirement, apply at least three months before the proposed start date.

PART A — YOUR DETAILS

Employee Name	
Payroll Number	
Post Number	

PART B — YOUR POST

Directorate	
Job Title	
Line Manager	

PART C — TYPE OF REQUEST

Please tick as appropriate:

- ☐ Retirement (*Termination of Employment*)
- ☐ Flexible Retirement (*Subject to Employer Approval and Pension Scheme Regulations*)

PART D — PROPOSED RETIREMENT DETAILS

Proposed retirement date or flexible-retirement start date: _____

FLEXIBLE RETIREMENT ONLY

Current Contracted Hours: _____

Proposed Contracted Hours: _____

Current Grade: _____ Proposed Grade: _____

Current Working Pattern: _____

Proposed Working Pattern: _____

Please explain briefly how you think the proposed arrangement could work:

PENSION INFORMATION (FLEXIBLE RETIREMENT ONLY)

Have you requested pension information or an estimate through the Payroll and Payments Team?

☐ Yes

☐ No

I understand that, if my flexible-retirement application is approved, the pension benefits covered by the approval will be brought into payment under the LGPS rules.

PART E — YOUR DECLARATION

By signing this form, I confirm the request selected in Part C and understand that:

- The information provided on this form is true and complete to the best of my knowledge.
- Flexible retirement is not an automatic entitlement. It requires Council approval and must meet the business requirements in this policy and the LGPS rules.
- I understand that any pension benefits payable will be determined in accordance with the rules of the Local Government Pension Scheme in force at the time of retirement.
- I understand that retirement and flexible retirement decisions may affect my pension benefits, salary, and overall financial position.
- I acknowledge that the Council cannot provide financial advice and that I may wish to seek independent financial advice before making a decision.
- The Council will use the personal information provided on this form for employment, payroll and pension administration in accordance with its employee privacy notice.

Employee Signature: _____

Date: ____ / ____ / ____

Checklist (Employee)

Please ensure the following have been completed:

☐ Form submitted to line manager

☐ Pension estimate requested, if applicable

☐ Annual leave arrangements discussed

Send the completed form to your line manager. Your line manager will forward it to the Payroll and Payments Team at **payroll@tendringdc.gov.uk**.

(A copy of this form can be found on the Council's Intranet under the Forms section)