



Heddlu Police

**DYFED-POWYS**

**Chief Constable of Dyfed Powys**

**Flexible & Early Retirement Policy  
(LGPS )**

**Version 3**

## VERSION CONTROL

Version	Date	Author	Reason for Change
3	03/02/23	Tony Williams	Updated to reflect the current LGPS Regulations
2	27/03/14	Diane Jones	Chief Financial Officer changed to Director of Finance/CFO and suitability for publication section completed.
1	14/11/13	Diane Jones	Transfer of policy to new force template

## EQUALITY IMPACT ASSESSMENT

Section 4 of the Equality Act 2010 sets out the **protected characteristics** that qualify for protection under the Act as follows: Age; Disability; Gender Reassignment; Marriage and Civil Partnership; Pregnancy and Maternity; Race; Religion or Belief; Sex; Sexual Orientation.

The **public sector equality duty** places a proactive legal requirement on public bodies to have regard, in the exercise of their functions, to the need to:

- eliminate discrimination, harassment, victimisation, and any other conduct that is unlawful under the Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The equality duty applies to all protected characteristics with the exception of Marriage and Civil Partnership, to which only the duty to have regard to the need to eliminate discrimination applies.

Carrying out an **equality impact assessment** involves systematically assessing the likely or actual effects of policies on people in respect of all the protected characteristics set out above.

An equality impact assessment should be carried out on any policy that is **relevant** to the public sector equality duty.

An equality impact assessment has been completed on this policy, click [here](#).

## HUMAN RIGHTS ACT

### CERTIFICATE OF COMPLIANCE

This policy has been drafted in accordance with the Human Rights Act and has been reviewed on the basis of its content and the supporting evidence and it is deemed compliant with that Act and the principles underpinning it.

Name: R Jones, Senior Solicitor  
Department: Legal Services Department  
Signed: R Jones

## Freedom of Information Act 2000

Section 19 of the Freedom of Information Act 2000 places a requirement upon the Force to publish all policies on the Force website. Policies are why we do things and procedures are how we do them. A case-by-case review of procedures must be undertaken to protect law enforcement and health and safety considerations. Where a combined policy and procedure document is being produced the Force is legally required to publish the policy section and assess the procedure part to ensure no sensitive information is published.

There is a requirement therefore to review this document to establish its suitability for publication. Please identify below whether the document is suitable for publication in its entirety or not. Where it is believed that disclosure will be harmful please articulate the harm that publication would cause and highlight the relevant sections within the document. Where it is perceived that there is harm in disclosure the document should be forwarded to the FOI Unit for review.

### Suitability for publication

Suitability for publication	Yes/No	Date	Signature
Document is suitable for publication in its entirety	Yes	27 <sup>th</sup> March 2014	Diane Jones
Document is suitable for publication in part, I have identified those sections which I believe are not suitable for disclosure and have articulated below the harm which would be caused by publication.			
<b>Harm – in publication</b>  None			Diane Jones

### FOI review – to be completed by FOI Unit

Suitability for publication	Yes/No	Date	FOI Decision Maker
Document is suitable for publication in its entirety			
Document is suitable for disclosure in part and relevant redactions have been applied. A public facing version has been created.			
Once review has been undertaken FOI decision maker to return document to policy author and following sign-off document to be published within Force Publication Scheme. Any future changes to the document should be brought to the attention of the FOI Unit, as appropriate.			

# **Flexible & Early Retirement Policy – Local Government Pension Scheme**

## **1. POLICY STATEMENT**

- 1.1. This document provides a definitive policy on flexible and early retirements under the provisions of the Local Government Pension Scheme Regulations. Dyfed Powys Police will consider all applications for flexible retirement under the Local Government Pension Scheme on their individual merits, however, flexible retirements will only be granted where there is no detriment to the service provided and it is of sound economic benefit to the Force.

## **2. POLICY AIM**

- 2.1. To set out the criteria and entitlements on flexible and early retirements.

## **3. APPLICABILITY**

- 3.1. This policy applies to staff who are active members of the Local Government Pension Scheme (LGPS).

## **4. GENERAL PRINCIPLES**

### Normal Pension Age (NPA)

- 4.1. The NPA for the purposes of the LGPS is the same as the State Pension Age (SPA), although there are other options to retire earlier or to continue working, within the LGPS regulations.

### Late Retirement

- 4.2. Employees who remain in Local Government employment passed their NPA can continue to contribute to the LGPS and build up further benefits up until the age of 75.
- 4.3. Employees must take their pension by age 75.

## **5. VOLUNTARY EARLY RETIREMENT (VER)**

- 5.1 If you have been a member of the Local Government Pension Scheme (LGPS) for at least 2 years or have transferred previous pension rights into the scheme, you can elect to retire and receive the payment of your pension benefits at any time from the age of 55.
- 5.2. An employee does not need the consent of the Chief Constable if they wish to retire at age 55 or above.
- 5.3. However, if an employee wishes to receive the payment of benefits prior to their Normal Pension Age (NPA) the benefits will more than likely be actuarially reduced to take account of the early payment. An employee can choose to retire but not draw on their pension benefits until their Normal Pensionable Age when no pension benefit reductions would occur.
- 5.4. The actuarial reduction to be applied is determined by many factors and is calculated in accordance with guidance issued by the Government Actuary's Department (GAD).

- 5.5. The Chief Constable will only consider waiving pension benefit reductions in exceptional circumstances on compassionate grounds.
- 5.6. If the employee joined the LGPS on or after 01 April 1998 and before 01 October 2006 they may face smaller or even no reductions if they pass the “85 test”.
- 5.7 The “85 test” will apply if you are over the age of 60 when you retire. If you fully retire between age 55 and 60, the 85 year test will not automatically apply, and your benefits will be reduced.
- 5.8. The “85 test” was removed from the LGPS with effect from 1 October 2006 for individuals joining the scheme on or after that date but existing members were given certain protections:
- If you were born on or before 31 March 1956 all benefits built up to 31 March 2016 will be unreduced. Benefits from 01 April 2016 will be reduced for the period from the date of leaving to the NPA. If you were born on or between 01 April 1956 and 31 March 1960, all benefits built up to 31 March 2008 will be unreduced, but benefits built up between 01 April 2008 and 31 March 2020 will be reduced on a ‘tapered’ basis for the period from your date of leaving to age 65 (the normal retirement age under the 2008 Scheme). Any benefits built up after 01 April 2020 will be reduced in full for the period from your date of leaving to your NPA.
  - . If you were born on or after 01 April 1960, all benefits built up to 31 March 2008 will be unreduced, but benefits built up from 01 April 2008 until your date of leaving will be reduced in full. For membership from 01 April 2008 to 31 March 2014, the reduction will be for the period from your date of leaving to your 65<sup>th</sup> birthday. Your membership from 01 April 2014 will be reduced for the period from your date of leaving to your NPA.
- 5.9. Costs of paying early benefits may be generated for the employer because of the strain on the pension fund from the early release of the pension. Whilst cost will be a consideration it will not be the determining factor, but the application for VER will be considered taking into account a whole range of relevant business factors, rather than just cost factors alone.

## **6. EARLY RETIREMENT IN THE INTERESTS OF EFFICIENCY**

- 6.1. An employee may be offered retirement in the interests of efficiency of the service if:
- they are aged 55 or over
  - they are members of the LGPS
  - they have been an LGPS Scheme member for at least two years.
- 6.2. An employee will be entitled to immediate payment of unreduced pension benefits and at the employer’s discretion may also receive a severance payment. The Chief Constable may award a severance payment based on the redundancy pay calculation.
- 6.3. The costs to the employer will be the capital costs associated with an early release of pension benefit plus the cost of any additional severance payment awarded to the employee.
- 6.4. The Chief Constable should be able to justify any “business efficiency/redundancy” retirement sanction by showing the extent to which it improves the effectiveness of the services provided or reduces the cost of providing those services or on the grounds of health/compassion. Based on a payback period of 3 years or less.

- 6.5. The consideration for retirements 'in the interest of efficiency' will originate from the Director of Finance / CFO.
- 6.6. There will be certain circumstances in which efficiency retirement may be appropriate and these are detailed in the following paragraphs:
- Where, due to no fault of an individual employee, the work method or job content have altered to the extent that they affect fundamentally the competence of the employee (e.g. technology changes, changes in legislation or organisation, development of professional standards).
  - Where an employee has a particular medical condition which, whilst not considered by the Occupational Health Manager to justify retirement on the grounds of ill health, does significantly impede the proper performance of the job.
  - When an employee has particular personal or domestic circumstances, which are overwhelming to the extent that the interests of the service suffer.
  - Where, through a reorganisation or other reasons, the scope and content of the duties and responsibilities have diminished to the extent that, whilst not justifying redundancy, they nevertheless adversely affect the efficiency of the organisation.
  - Where a combination of circumstances, both in the job and the individual are adversely affecting efficiency, but where these circumstances do not involve wilful inadequate performance, which should be more appropriately the subject of disciplinary or capability action.

## **7. FLEXIBLE RETIREMENT POLICY**

- 7.1. To be considered for flexible retirement under the LGPS, an individual must:
- be a member of the LGPS
  - be aged between 55 years and 74 years and 364 days
  - reduce their working hours in their current post by a minimum of 40% or transfer to a post of a lower salary (with or without a reduction in hours)
  - be a member of staff with 2 years or more membership (or three or more months if membership commenced prior to 01 April 2014), including any transferred-in membership of the LGPS the Chief Constable gives his approval
- 7.2. There is no automatic right to flexible retirement as it is a discretionary provision of the LGPS and the decision to grant it is at the discretion of the Force, even when normal retirement age has been met.
- 7.3. There must also be a change to the employee's employment conditions and pensionable pay, to reflect these amendments. The anticipated amendments to employment would need to result in a significant pay reduction (including any additional allowances) with a minimum of at least 40%, to ensure that the employee is not overall, better off than before flexible retirement.
- 7.4. The full or part amount of the pension can be taken, and the employee will continue to build up pensionable service, and so additional pension can be drawn on full retirement.
- 7.5. Early release of pension benefits through flexible retirement may mean that the benefits are reduced. Costs of paying early benefits may be generated for the Force because of the strain on the pension fund from the early release of the pension. Whilst cost will be a consideration it will not be the determining factor, but the application for flexible retirement will be considered taking into account a whole range of relevant business factors, rather than just cost factors alone.

7.6. For pension benefit reduction arrangements see paragraphs 5.3 to 5.7 above.

7.7. Once an application is approved, the employee will need to sign a revised contract to reflect the new permanent working arrangements i.e. reduced hours/grade. An employee cannot apply for a future position that may result in either an increase in hours or a higher salary.

7.8. An employee who has been granted flexible retirement in the past may request to work beyond their NPA. In these circumstances, the employee's contractual terms and conditions are those agreed as part of the flexible retirement and the request to work beyond the NPA should be considered in this context.

## **8. RELATED POLICIES, PROTOCOLS, PRACTICES OR SERVICE AGREEMENTS**

8.1. Internal:

- a. Scheme of Governance – Financial Regulations
- b. Financial Control Procedures (Finance intranet site)

## **9. MONITORING**

9.1. Each flexible and early retirement will be assessed to provide assurance that the policy is being adhered to and monitored for its effectiveness and identified inefficiencies.

## **10. REVIEW**

10.1. This policy will be reviewed and updated annually by the Head of Financial Governance, to ensure it remains up to date for any changes to the Financial Management Code of Practice or other legislation and guidance.

10.2. The Chief Constable will update, publish and copy to the Dyfed Pension Fund (Carmarthenshire County Council) this Employer Discretion.

10.3. Should this policy be amended, a revised statement would need to be published within one month of the date of revision.

## **11. WHO TO CONTACT ABOUT THIS POLICY**

[Pensionsenquiries@dyfed-powys.police.uk](mailto:Pensionsenquiries@dyfed-powys.police.uk)