



Copeland Borough Council

Retirement Policy

The Employment Equality (Age) Regulations 2006, effective from 1 October 2006 give all employees a right to request to work beyond their employers' retirement age and employers a duty to consider any such request within a statutory procedure. This policy outlines the Council's approach to responding to such requests and the issues that will be considered prior to response.

EQUALITY STATEMENT:

This policy applies to all Copeland Borough Council employees irrespective of age, race, colour, religion, disability, nationality, ethnic origin, gender, sexual orientation or marital status, domestic circumstances, social and employment status, HIV status, gender reassignment, political affiliation or trade union membership.

The Regulations cover direct discrimination, indirect discrimination, harassment and victimisation; and include all workers and those taking part in or applying for employment-related training including further and higher education courses.

NORMAL RETIREMENT AGE:

The normal retirement age of the Council is 65, and employment normally ceases at the end of the day prior to the employee's 65th birthday.

Employees will retain the right to retire at age 65 or beyond and up to age 70 if they choose to do so.

Employment beyond normal retirement age may be in the same post and same employment pattern as that held previously or an employee may wish to revise their working pattern or consider a post with different responsibilities. Accommodation of the employee's preference will depend on the availability of such opportunities and the conditions given below.

RETAINING AN EMPLOYEE AT AGE 65:

The Council will have the discretion to continue to employ an individual (and recruit an individual) at age 65 or beyond and up to age 70, on condition that the following requirements are met:

- Where the interests of the Council are best served by the continued employment of the employee;
- Subject to the usual medical checks prior to appointment or prior to retention in the case of existing employees;
- Further advice on health requirements and risk assessments may be obtained from the HR Department or the Occupational Health Specialist;
- The employee must advise the HR Department of any health-related matters that could affect their continued employment;
- In making the decision to retain an employee over the age of 65, the Head of Service should take into account the health and competence record of the person concerned.
- If an employee over the age of 65 is absent through illness, he/she will be entitled to the same consideration as any other employee in line with the Absence Control Policy;

- In respect of the Disability Discrimination Act (1995) the Council would need to apply as usual any “reasonable adjustments” irrespective of age.

It is anticipated that, where there are particular recruitment or retention difficulties, or where there are particular circumstances which require, in the best interests of the Council the retention of an employee, that the Head of Service may approach the employee to discuss continuation of employment.

This policy does not affect or impact upon the Early Retirement Options of an employee under the Superannuation or other regulations. Nor does it diminish the right of the Council to determine issues relating to employment.

CONSIDERING A REQUEST TO WORK BEYOND 65:

From 1 October 2006 the Council will consider and respond in writing to all requests to work beyond the Council’s normal retirement age of 65. The procedure (set out in Appendix A) for considering all requests to work beyond the planned retirement age will be administered by the HR Department, and must be followed as failure to follow this procedure could result in retirement being deemed to be unfair.

Where a request to continue working beyond 65 is received, the Manager will only approve the request if he/she considers it to be in the best interests of the Council taking into account such issues as:

- The strategic direction and operational needs of the Council
- The skills mix required by the Council for the foreseeable future
- Succession and workforce planning

Exceptionally, where a request is agreed it will be for a fixed period of time, normally with the minimum being one year and the maximum being two years. Where an extension beyond the planned retirement age is agreed, the new date will become the new planned retirement date, six months prior to which the process set out above will be repeated.

PENSION INFORMATION:

The Employment Equality (Age) Regulations 2006 aim to disrupt occupational pension arrangements as little as possible, and to avoid the risk of pension provisions being reduced. The regulations apply to occupational pension schemes and employer contributions to personal pensions. They do not apply to state pensions which will be completely unaffected.

It is important that the employee to be recruited/retained is aware of the implications for his/her pension. Appropriate advice, given on an individual basis, must be obtained from the Pensions Office.

An employee should contact the Pensions Department at Capita (01228 673696) or CBC Payroll Department (01946 598512) to clarify their pension position to ensure they are not disadvantaged by their plans.

FLEXIBLE RETIREMENT:

With effect from 6 April 2006, the Local Government Pension Scheme Regulations were amended to allow employees over age 50 to apply for “flexible retirement” with their employers consent.

Employees can, on or after age 50, reduce their hours or salary grade, draw all of their pension benefits, continue to receive salary/wages in respect of their employment and

continue paying into the Local Government Pension Scheme, thus building up further retirement benefits.

All cases of flexible retirement **MUST** be approved by the Council.

Any employee taking their benefits between 50 and 60 will suffer a reduction on both the pension and lump sum payments.

Example of flexible retirement:

A male employee has 30 years service, with a pensionable pay of £25,000 and is allowed to reduce his hours to 18.50 per week and take flexible retirement.

His pension benefits will be:

Annual Pension $30/80 \times £25,000$ (less 33% for taking his benefits early) = £6281.25 and a lump sum of $90/80 \times £25,000$ (less 11% for taking his benefits early) = £25,031.25

He will also be earning $£25,000 \times 18.50/37 = £12,500$, bringing his new total annual income to £18,781.25.

EMPLOYEES NOT IN LOCAL GOVERNMENT PENSION SCHEME:

Employees may wish to contact their local Benefits Agency, Citizens Advice Bureau or their Trade Union for further advice.

WHAT ARE THE BENEFITS?

A more flexible approach to retirement enhances employee choice and addresses work-life balance issues. It also impacts on a number of key employment areas including retention, service delivery, and career development as well as tackling issues such as age diversity and age discrimination.

Changes in working practices and demographics necessitate a more flexible approach to retirement. Changes such as increased life expectancy, more part-time, temporary and short-term contracts contribute towards a redefinition of what retirement means.

The options contained in this policy address the different needs of individual employees. They include working flexibly in the run up to normal retirement age (for pension purposes normal retirement age is 65 years old) and working past normal retirement age. They can provide employees with the opportunity to build a full pension entitlement if they choose to work up to the age of 70 or to work more flexibly prior to retirement.

Many employees currently go from working full-time hours to complete retirement representing a significant culture change. Working flexibly up to retirement can allow employees a more gradual transition from full-time work to full-time retirement.

There are a number of advantages to a more flexible approach to retirement including the following:

- Passing on skills and knowledge – flexible retirement can be coupled with job sharing
- Improved retention
- Providing development opportunities for younger employees, as older colleagues reduce their hours or responsibility level
- Preventing knowledge gaps
- Retaining expertise and know how

- Reducing capability without some of the disadvantages associated with early retirement
- Retaining age balance and improving age diversity
- Flexibility and productivity associated with part-time working.

The number and profile of staff taking advantage of the right to request to work beyond 65 will be monitored by the HR Department.

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PROCESS FOR CONSIDERING REQUESTS TO WORK BEYOND PLANNED RETIREMENT

DATE	ACTION REQUIRED
6 months before planned retirement (Appendix 1)	The HR Department will write to employees no later than 6 months in advance of their retirement date (copy to employee's Manager) advising them of their retirement date and noting their right to request to continue to work beyond 65. If they wish to make a request to work beyond 65 they will be asked to formalise their request in writing as a matter of urgency in order that it can be considered by the Manager and appropriate planning can take place.
Between 6 months and 3 months before planned retirement date and as early as possible in that period	The employee will write to the HR Department requesting that his/her employment continues for a stated period or until a stated date. The request could be for part-time or full-time employment or for a change in working pattern.
Within 28 calendar days of receipt of a request to work beyond the planned retirement date (Appendix 2)	The HR Department will make arrangements for a meeting between the Manager and the employee to consider the request. A member of the HR Department will be in attendance, taking a note of the discussion.
Within 14 calendar days of meeting with the employee, the employee will be informed in writing of the decision on their request to work beyond the planned retirement date (Appendix 3)	The HR Department will draft the response confirming the decision and confirming the right to appeal if the decision has been to either reject the request or to approve an extension for a shorter period than requested.
Within 14 calendar days of receipt of confirmation of the decision, the employee may exercise his/her right to appeal against the decision (Appendix 4)	On receipt of an appeal, the HR Department will schedule a meeting between the Head of Service and the employee to consider the appeal against the Manager's decision. A member of the HR Department will be in attendance, taking a note of the discussion.
Within 14 calendar days of the appeal meeting, the employee will be informed of the decision on the appeal (Appendix 5)	The HR Department will draft the response confirming the decision with regard to the appeal, and where the decision is to reject the appeal, confirming the date on which the retirement will take place.

Example of a letter informing employee of their retirement date

Letter to inform employee of their retirement date and their right to make a request to work beyond 65. This letter is to be sent to employee no sooner than 1 year and no later than 6 months in advance of their retirement date, copy to employee's manager.

Dear

I am writing to inform you that your retirement date will be *(insert date)* and that you have a right to request to continue your employment beyond that date.

The Council will give careful consideration to any request you may make to continue to work beyond normal retirement date and will inform you if the Council cannot agree to it. Your employer is not required by law to give a reason.

Your request not to be retired must be returned to *(insert name)* no later than three months before the date stated above. Failure to do so will mean that you lose your statutory right to have your request considered and you will retire on the retirement date above.

Yours sincerely

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Human Resources Department

Cc Employee's Manager

Example of a letter informing employee of a meeting to discuss a request not to retire

This meeting to discuss the request should be held within 28 calendar days of receipt of a request to work beyond the planned retirement date. The employee has a right to be accompanied at the meeting.

The companion can be:

- *A work colleague*
- *A Trade Union Representative*

The companion can:

- *Address the meeting but not answer questions on behalf of the employee*
- *Confer with the employee during the meeting*

Dear

I am writing to inform you that after receiving your request to continue your employment beyond the Council's normal retirement date, there will be a meeting to discuss your request.

The meeting will be held on *(insert date)* at *(insert time)* at *(insert location)*.

You have a right to be accompanied at the meeting by a work colleague or a trade union representative. Your companion may be someone that you have chosen, but they must work for Copeland Borough Council. Your companion can address the meeting but not answer questions on your behalf although you may confer with your companion during the meeting.

An integral part of the decision making process to extend an employee's retirement date is to ensure that the individual is fit to do so. I would ask you therefore to complete the attached medical questionnaire and return it to *(insert name)* prior to the above meeting. If there are issues of concern you may be asked to have a medical examination with an Occupational Health specialist. After the meeting, if it is decided to continue your employment beyond the intended retirement date of *(insert date)* you will receive written notification reflecting these agreed changes to your contract of employment.

If no agreement is reached, you will receive further notification confirming your intended retirement date and informing you of your right to appeal.

Yours sincerely

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Human Resources Department

Example of a letter confirming retirement on the intended date

If after the meeting to discuss the employee's request to continue employment beyond the normal retirement age, you decided that you still wish the employee to retire, you must inform them within 14 calendar days of meeting with the employee. You must also inform them that they have a right to appeal.

Dear

I am writing to inform you that following our meeting held on *(insert date)* to discuss your request not to retire at age 65, that your request has not been approved and you will therefore retire on your normal retirement date of *(insert intended retirement date)*.

You have a right to appeal against this decision. If you wish to appeal you must inform *(insert Head of Service name)* as soon as possible. Failure to do so may mean that you lose the right to an appeal meeting and Copeland Borough Council may consider your appeal without holding a meeting, taking into account any previous representations that you have made.

Yours sincerely

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Human Resources Department

Example of a letter to employee notifying the result of their appeal

You must hold the appeal meeting to discuss the employee's appeal not to retire on the normal date, within 14 calendar days. If it is not reasonably practicable to hold an appeal meeting within a period that is reasonable, you may consider the appeal without holding a meeting as long as you consider any representations that the employee has made.

Dear

I am writing to inform you that after our meeting held on *(insert date)* with *(insert names of attendees)* to discuss your appeal in relation to your request to continue your employment beyond the Council's normal retirement date, that the Council has rejected your appeal, and you will therefore retire on *(insert intended retirement date)*.

Yours sincerely

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Human Resources Department

Example of a letter to employee confirming new retirement date

You should use this letter if you accept the employee's request or appeal within 14 calendar days of the meeting/appeal meeting.

Dear

I am writing to inform you that following our meeting to consider your request to continue your employment beyond age 65 / appeal meeting *(delete as appropriate)*, the Council has agreed that your new intended retirement date shall be *(insert new date)*.

As agreed at the meeting to discuss your request not to retire on the normal date / appeal meeting *(delete as appropriate)* your new working pattern will be as follows: *(delete this paragraph if no new working pattern is agreed)*.

Yours sincerely

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Human Resources Department

Retirement – Transitional Arrangements applicable up to 1 April 2007

Transitional arrangements apply to retirements from 1 October 2006 to 31 March 2007 because the DTI recognise that:

Where an employee is due to retire soon after 1 October 2006 the procedures for ensuring a retirement dismissal is fair and summarised below.

NOTICE GIVEN BEFORE 1 OCTOBER 2006

If the employee is given notice before 1 October that they are to be retired after 1 October 2006 but before 1 April 2007:

- Notice must be at least the period required by the Contract of Employment;
- Or
- Where the employee is already serving a long period of notice required by the contract that exceeds four weeks, the employer must give at least four weeks notice before the 1 October 2006 to ensure the employee is aware and given the statutory minimum notice period of notice for retirement.

The employer must write to the employee as soon as practicable telling him/her of the right to request working longer.

The employee can make such a request after his/her contract has been terminated but not more than four weeks afterwards.

A meeting to discuss the request and any subsequent appeal meeting must be held within a reasonable period. The employee can ask to be accompanied by a work colleague or Trade Union Representative.

NOTICE GIVEN AFTER 1 OCTOBER 2006

If the employee is given notice after 1 October 2006 that he/she is to be retired before 1 April 2007 the employer must:

- Write to the employee notifying him/her of the intended retirement date – giving the longer of contractual or statutory notice, and
- Tell him/her in writing that they have a right to request working longer.

An employee who wants to exercise this right should make a written request:

- Where possible, four weeks before the intended retirement date, or
- As soon as reasonably practicable after being notified of the 'right to request'.

The request can be made after the employee's contract has been terminated but not more than four weeks after termination.

A meeting to discuss the request, and any subsequent appeal meeting, must be held within a reasonable period. The employee can ask to be accompanied by a work colleague or Trade Union Representative.

Anyone retiring on or after 1 April 2007 will be subject to the full retirement procedure set out in the Employment Equality (Age) Regulations 2006 and described in the Council's Retirement Policy.