

## **PENSIONS AND RETIREMENT POLICY**

### **Shropshire County Pension Fund**

1. This policy applies to all employees of Much Wenlock Town Council who are in the Local Government Pension Fund (LGPS) administered by Shropshire Council.

#### **Roles and responsibilities**

2. The Town Council has a statutory duty to ensure that all employees approaching retirement age are informed of the Council's retirement policy 6 to 12 months prior to an employee reaching normal pension age. The Town Council is also required to be aware of the flexible retirement provisions.
3. Employees are responsible for deciding whether or not they wish to be a member of the pension scheme and for taking the necessary actions to request the transfer in of any other scheme membership as outlined in this policy. They are responsible for informing the Town Clerk of planned retirement dates and of their wishes in terms of their employment beyond normal pension age. They should do this 3 months prior to reaching the age of normal pension age unless their contractual notice allows this to be sooner. They are also responsible for transfers, early retirement or flexible retirement.

#### **Pensions**

4. Following a satisfactory probationary period of 3 months, new employees have the right to join the pension scheme, although their membership must be agreed by resolution of Members at a Town Council meeting.

#### **Transferring Pension into the Shropshire County Pension Fund**

5. Employees may choose to transfer other pension rights into the Shropshire County Pension Scheme. Advice is available from the Pensions team at Shropshire County Pension Scheme on 01743 252130 or at [pensions@shropshire.gov.uk](mailto:pensions@shropshire.gov.uk). Information is also available at <https://shropshirecountypensionfund.co.uk/> Employees should request to transfer pension rights within 12 months from the commencement of their employment with the Town Council.

Relevant employees may request to transfer in AVCs.

#### **Augmentation**

6. The local Government Pension Scheme Regulations permit employers to give Additional Pension Contributions (augmentation) to employees. This will only be considered in exceptional circumstances following approval by resolution of Members at a Town Council meeting.

## **Retirement**

### **Early retirement**

7. (See the Town Council's Discretions Policy.) Sympathetic consideration will be given to early payments on compassionate grounds e.g. where there is a need by a member of staff to provide long term care, which can be evidenced, to a dependant relative or partner. In such cases the full pension will be payable with no reduction for early release of the pension. The additional pension costs will be paid by the employee's directorate as a lump sum when the employee leaves. Early retirement requests will be considered by Members in accordance with (8) below and the Town Council's Discretions Policy.

### **Flexible retirement CHECK WITH DISCRETIONS**

8. Under the Flexible Retirement arrangements employees who are members of the Local Government Pension Scheme, may request a reduction in their hours or move to a lower graded post and also draw their pension whilst continuing to work, under regulation 18(b) of the pension scheme regulations. This will be subject to consent of the Town Council and will only be considered where there is a justifiable business case and the cost, if any, of early release of pension is managed within the council's budget. Before being considered for this employees must:

- be aged 55 or over
- work in a post or area of work where there are difficulties in recruiting, there are skills shortages or work of a particular nature which requires their skills
- get authorisation for early release of their pension.

Employees who request a reduction in their hours or in the grade of their post should use the "Flexible Working Framework". Early release of pension before normal pension age may mean pension benefits are reduced. Employees should therefore obtain information on their pensionable benefits, which would apply in these circumstances before submitting a request. The decision to permit an employee to receive immediate payment of their pension under flexible retirement will be authorised by resolution by Members at a Town Council meeting.

### **Working beyond the age of normal pension age**

9. There will be no upper age restriction for job applicants to the Town Council. Where a job applicant is appointed who is normal pension age or over they will receive the standard contractual terms which apply to the post.

The Employment Equality (Age) Regulations 2006 state that employees have the right to request not to be retired. As the Town Council does not apply a compulsory retirement age an employee can continue in their post beyond the normal pension age if they wish to do so.

Performance of all employees will continue to be reviewed through the normal annual performance appraisal mechanisms. When being appraised no employee should be treated differently because of their age.

Six months prior to them reaching the normal pension age employees should inform the Town Council in writing whether they intend to retire or continue to work.

All employees may request flexible working which can only be granted by resolution of the Town Council.

Employees who continue to work beyond normal pension age can remain in the pension scheme to age 75 and their LGPS benefits earned up to normal pension age will be increased to compensate for their late payment. Benefits must be paid from age 75 even if employment continues beyond that age.

Employees under the age of 75 can re-join and remain in the pension scheme up to that age and benefits must be paid from age 75 even if employment continues beyond that age. Any LGPS pension already in payment will not be affected but any part of that pension resulting from added years given in early retirement cases may be subject to adjustment. Details are available from the pension section in individual cases.

### **Pension appeals**

10. Any appeals against a decision not to allow immediate payment of pension under these circumstances (flexible retirement, early retirement) should be referred to the Town Council in the first instance, and may be referred to the pensions appeals process.

### **Review**

11. In the light of changing circumstances this policy will be reviewed as necessary.

### **RULE 85**

The LGPS (**Transitional Provisions and Savings**) Regulations 2014 require all employers to have a policy on whether to agree to apply the 85 year rule to a member of the Scheme if they wish to voluntarily draw benefits on or after 55 and before age 60. (Please refer to the Council's Discretions Policy.)