

Retirement Policy and Procedure

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Scope

This policy applies to employees of Charnwood Borough Council who are members of the Local Government Pension Scheme (LGPS).

Purpose

Charnwood Borough Council does not require employees to retire at any particular age and individuals can contribute to the LGPS up until their 75th birthday.

The purpose of this policy is to outline the different retirement options that are available to employees and the processes that must be followed when considering:

- Retirement at ‘normal’ pension age;
- Early retirement – voluntary;
- Early retirement – compassionate grounds;
- Early retirement – efficiency of service;
- Flexible retirement;
- Ill-health retirement;
- Pension release due to voluntary or compulsory redundancy.

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Principles

The Council's commitment to equality of opportunity will be observed at all times during the operation of this policy and procedure. This will ensure that employees are treated fairly and without discrimination on the grounds of race, nationality, ethnic or national origins, sex, marital status or civil partnership, disability, age, sexual orientation, trade union membership or activity, political or religious beliefs, maternity or pregnancy, gender re-assignment and unrelated criminal conviction.

To ensure that fair procedures are followed in relation to all types of retirement and options, opportunities, benefits and costs have been explored, as appropriate, before retirement decisions are made.

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Roles & Responsibilities

Chief Executive	To authorise the Delegated Decision for any changes or the release of funds.
Directors	To consider requests for flexible and early retirement from LGPS members on receipt of appropriate documentation from managers. In cases of ill-health retirement, consider the necessity of obtaining further occupational health opinions where a scheme member disagrees with an assessment during the ill-health retirement process.
Line Managers	To provide the necessary support and guidance to employees throughout the various retirement options and processes. To process applications when received in accordance with this policy.
Employees	A personal responsibility to ensure they take an informed decision as to when to retire, managing their own retirement and being suitably prepared in line with the Council's procedures, including arranging attendance on a pre-retirement course where applicable. To attend meetings and occupational health appointments as advised and arranged to support a retirement process.
Ex-Employees	To contact the HR team should they wish to request the early payment of their deferred benefits on the basis they believe they have become permanently incapable of performing the duties of their former post by reason of ill-health.
HR Services	To provide advice and support to the line manager and employees as required throughout the process. Undertake any 3 rd Tier review process as advised by Pension services.
Pension Services	To process as appropriate requests for pension costs and notifications of retirements from managers / HR services. To process actual retirement benefits.

Retirement at 'Normal' Pension Age

Charnwood Borough Council does not require its employees to retire at any particular age, even if they are in receipt of a state pension.

For LGPS pension purposes, 'normal' pension age is linked to an employee's state pension age (but with a minimum of age 65). Retirement before this age is classed as ['early' retirement](#).

An employee needs to have at least 2 years membership to qualify for pension benefits.

Employees who are interested in retiring should contact the Pension section for details of their pension benefits. They must also advise their manager of their intention to retire, in writing, providing the notice required under their contract of employment.

Line managers are to ensure Payroll are informed as soon as it is known that a retirement decision has been confirmed by a scheme member.

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Early Retirement – Voluntary

Employees, with at least 2 years' pension scheme membership, who have not reached 'normal' retirement age, can opt to voluntarily retire from the age of 55 onwards and receive immediate payment of their accrued pension benefits. As a reduction in pension benefits¹ may apply, employees are strongly advised to consult the Pension section for an estimate before making a decision.

Employees who wish to take early retirement must advise their manager in writing providing the notice required under their contract of employment.

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Early Retirement – Compassionate Grounds

The Council has the discretion to waive actuarial reductions, under a number of retirement scenarios, on compassionate grounds to member and former members. The cost of which would fall upon the employer.

In relation to early retirement request on compassionate ground the policy is that:

- The Council will not consent to requests for early retirement on compassionate grounds where capital costs are applicable unless there are exceptional circumstances.
- All requests for immediate access to retirement benefits under this regulation should be made in writing to be considered on an individual basis.

To qualify for consideration, the employee must:

¹ Employees should note that these reductions can be quite large and will remain in place for the duration of the pension.

- Have been a member of the pension scheme for at least 2 years;
- Aged 55 or above

A scheme member who wishes to be considered for early retirement on compassionate grounds should write to their manager expressing an interest in early retirement and explaining the reasons in support of early retirement.

If, in view of the likely costs and benefits, it appears that the Council might wish to approve the early retirement on compassionate grounds, the manager should ask Pension services to provide accurate details of the immediate and subsequent cost to the Council. The scheme member's request and details of any costs, as provided by Pensions services are to be passed to the Director for consideration.

If the Director feels at this stage unable to support the application it should be explained to the scheme member that they cannot be allowed to retire early on compassionate grounds and this should be confirmed in writing with the reasons why.

If the proposal appears to be one that the Council may wish to approve, the Director should discuss with the scheme member the possible basis of the retirement on compassionate grounds and inform the Personnel Committee of the proposal, providing a detailed business case for the proposal and a written statement of the immediate and subsequent cost to the Council previously prepared by Pension services.

An application may be withdrawn by the applicant at any time prior to its consideration by the Personnel Committee but if it is not withdrawn prior to this consideration it shall then be regarded as a firm application.

The Personnel Committee and the Director involved will consider the proposal and will decide whether the scheme member should be allowed to retire early under the conditions of the scheme. In all cases the financial position of the Council must be considered.

If the retirement on compassionate grounds application is approved, the applicant will be informed of the decision in writing and the Director and Pensions services shall take the necessary administrative action to put the retirement into effect and to pay to the applicant the benefits to which they are entitled.

If it is decided that the scheme member should not be allowed to retire early they should be informed of the decision in writing, but that the application may be reconsidered, at the scheme member's request, at a future date if business or personal circumstances change.

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Early Retirement – Efficiency of Service

The purpose of early retirement (efficiency of service) is to provide fair and equitable compensation to employees who leave the Council's employment in the interests of the efficiency of the service and, at the same time, ensuring that legislative requirements are met and the burden placed on the public purse is reasonable. This provision is a discretionary one and the Council may seek to apply this discretion from time to time.

To qualify for consideration, the employee must:

- Have been a member of the pension scheme for at least 2 years;
- Aged 55 or above

This arrangement is aimed at individual employees who, whilst having given valuable service in the past, are no longer deemed capable of doing so. The situation may arise from an employee being unable to cope with the new and expanding duties being placed on them. The decline on an employee's ability to perform the duties of the post may be exacerbated by ill health but this arrangement is unlikely to apply in cases of long-term absence due to ill health. This arrangement will not apply in the following circumstances:

- Where it is deemed that it is more appropriate to deal with an individual's ability or willingness to perform under the Performance or Disciplinary procedures.
- The decline in an employee's ability to perform the duties of the post due to domestic circumstances
- Ill-health where employees no longer have the health and physical capacity to continue in employment.

Employees who meet the requirements of early retirement are entitled to an immediate and unreduced pension based on their reckonable service. The cost of the early payment of pension will be borne by the Council. The application of this arrangement is entirely at the discretion of Charnwood Borough Council and will be with the consent of the employee. It will only be considered as a last resort.

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Flexible Retirement

Flexible retirement allows scheme members who are aged 55 or over to apply to receive their pension benefits whilst continuing to work.

For the Council

Flexible retirement can be beneficial to the Council in helping to retain skilled employees who may otherwise leave their job and can be useful in succession planning arrangements particularly for specialist roles.

For the Scheme Member

Flexible retirement can help members balance work with other outside commitments and / or enable them to retire gradually.

For both

Flexible retirement can in some cases help both scheme members and the organisation in reducing posts / hours of work and in avoiding / reducing the overall number and level of redundancies.

To qualify, the employee must:

- Have been a member of the pension scheme for at least 2 years;

- Permanently reduce their current contractual hours by a **minimum of 40%**; and/or
- Permanently reduce their grade.

The Council will consider requests that fall within the above criteria however there is no guarantee that an application will be approved. The needs of the Council's services must come first, and some requests may not be operationally practical or financially viable. Requests will not normally be approved if there is a cost to the Council and/or where there will be an impact on service delivery.

Managers will consider each application objectively based on the role undertaken by the employee and any detrimental effect the request could have on the individual, team, or service. As the Pension section require the completion of forms FR1 and FR2 before they can action a request, managers and employees are reminded of the importance of submitting these as soon as possible.

Approved requests will result in a permanent change to the employee's working arrangements. The employee can opt to continue to pay into the LGPS, building up further benefits in a new second pension.

An employee cannot increase their working hours, once reduced, by any means including working additional hours. However, in exceptional circumstances where business needs demand, managers can agree a short-term temporary increase in the employee's hours.

Requests relating to a reduction in hours

Where an employee has more than one post, to qualify for flexible retirement, the individual must reduce their contracted hours in each post by a minimum of 40%. Both managers will need to support the request before flexible retirement can be considered.

The arrangement of the employee's new hours will be by negotiation with the manager and will be based on service provision needs. All terms and conditions of employment will be pro rata to the new contractual hours.

Employees who receive a compensation payment in relation to a reduction in hours as part of an organisational change process are not also able to use this reduction in hours to request flexible retirement. However, flexible retirement can be requested as an alternative to any compensation payment.

Employees who have been granted flexible retirement as a result of a reduction in hours are not also eligible to receive pay protection in relation to the reduction in hours. Any pay protection in place when the flexible retirement commences will cease immediately.

Requests relating to a reduction in grade

The employee is responsible for identifying a suitable vacant post as part of their flexible retirement request. This will usually be a post within the employee's team/section. Appointment will be on merit by appropriate selection process, unless changes to the organisational structure permit a transfer to the post under the terms of an action plan.

The post must be a minimum of one grade lower than the employee's current post and the employee will be appointed to the maximum pay point of the new grade. There is no

entitlement to pay protection. All terms and conditions of employment will be those applicable to the grade of the new post.

Salary, leave entitlement and other terms and conditions of employment will be those applicable to the new post and its attendant grade. Any pay protection in place when the flexible retirement commences will cease immediately.

Application Process

1. An employee who is interested in applying for flexible retirement must complete the [Flexible Retirement Application Form](#) and forward it to their manager. Ideally, requests should be submitted at least 12 weeks in advance of the proposed flexible retirement date.
2. The manager will meet with the employee (and their trade union representative, if applicable) within 10 working days of receiving the application form. This discussion will include:
 - The employee's reason for making the request;
 - How the arrangement being requested will work;
 - The impact on service delivery and how this can be addressed/resolved;
 - Potential alternative arrangements which meet the needs of the employee and the Council;
 - The date on which the employee proposes the requested change will take effect.
3. The manager will weigh the potential benefits to the Council/employee against any adverse impact of agreeing the request. Each request will be considered on a case-by-case basis; agreement to one request will not set a precedent or create the right for another employee to be granted a similar change to their working pattern.
4. An application for flexible retirement may be refused at this stage if there is a business reason as to why the employee's proposed working arrangements cannot be accommodated, for example:
 - An ability to reorganise work amongst existing employees or recruit additional staff;
 - A detrimental effect on the service's ability to meet customer demand;
 - A detrimental impact on the quality or performance of the service;
 - Additional financial costs which will negatively impact the service.

It may also be the case that there is no skills shortage within the service area and therefore if the employee decided to leave the Council, their skills could be easily replaced.

5. Any decision to support an employee's request will be subject to confirmation from the Pension section of any costs attached to the flexible retirement. Managers should note that applications from employees who are aged between 55 and 60 are likely to result in the need for a capital cost to be paid to the Pension Fund to cover the release of the employee's pension. These costs can be substantial and must be paid for by the employing department. Managers should also note that requests which result in capital

costs must only be considered in exceptional circumstances and with the support of the Director.

6. The manager will provide the employee with written confirmation of their decision. If the manager is unable to support the request, section B of the flexible retirement application form will include a detailed explanation for this decision and details of the employee's right to appeal. A template of the document is available by clicking [here](#).
7. If the employee wishes to appeal the decision, they must advise their manager, in writing, within 7 working days of receiving the outcome of their application. Their request must include the reason(s) why they are appealing.
8. The line manager should arrange a meeting with the scheme member (and their trade union representative, if applicable) to discuss the appeal within 10 working days of receiving the appeal letter.
9. If it's decided that the employee's original request or a slightly amended version can be accommodated, the following steps will be undertaken. If the line manager agrees that the employee's request cannot be accommodated, there will be no further right of appeal. The employee will be advised, in writing within 5 working days of the outcome of their appeal.
10. If the manager supports the employee's application, the employee and their manager will complete [Form FR1](#) and forward it to HR to then forward to the Pension section. The Pension section will provide the employee with details of the pension benefits they can expect to receive and HR with any costs that might be attached to the potential flexible retirement. Employees are strongly advised to seek independent financial advice on receipt of their pension forecast as it may involve them incurring a reduction in their pension benefits²; the cost of this advice is the responsibility of the employee.
11. If, on receipt of the estimate, the employee wishes to still pursue flexible retirement, they must advise their manager.
12. Where no capital costs are involved, the manager will forward the employee's application form and the Pension section estimate to their Director for consideration.
13. Where capital costs have been identified, the manager must seek advice from their Head of Service before submitting the employee's application form and the Pension section estimate to their Director for consideration.
14. The Director will consider the request, taking into account the manager's rationale for supporting the request, the cost of releasing the employee's pension and any recommendations provided by the line manager and Head of Service.
15. The manager will then draft a Delegated Decision to the Chief Executive for the authorisation of any changes or the release of the funds. This must be agreed by legal and finance and include comments from Human Resources.

² Employees should note that these reductions can be quite large and will remain in place for the duration of the pension Retirement Policy and Procedure v3.4
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16. Where Chief Executive approval is given, the employee should be provided with written confirmation and asked to confirm if they wish to proceed. If so, a start date for the new hours and/or grade should be agreed, taking into account service provision needs. The manager and employee should complete [Form FR2](#) and submit it to HR who will then in turn forward to the Pension section.
17. The manager will be required to complete a contract variation e-form to enable HR to update the employee's record in i-Trent as well as issue the appropriate documentation to the employee. Once arrangements have been put in place and pension is being paid it cannot be re-calculated and any actuarial reduction cannot be rescinded.
18. If the Director does not approve the request, the manager will provide the employee with written confirmation of the reason(s). An employee who wishes to appeal this decision should submit a request, in writing, to their manager within 7 working days of receiving their outcome letter. The request should outline the reason(s) for their appeal and may include additional information in support of their case, if appropriate.
19. The appeal information will be considered, as soon as possible, by the Director and a HR representative. A meeting to discuss the appeal may be arranged and the employee may be accompanied by a work colleague or trade union representative. The outcome will be confirmed, in writing, to the employee.

Advice is available from the HR services (telephone: 01509 634606 or email: hr@charnwood.gov.uk).

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III-Health Retirement

Ill-health retirement is only available to employees with at least 2 years' LGPS membership whose employment is terminated because of ill-health, or former employees with LGPS deferred pension benefits that no longer have the health and physical capacity to continue in employment. An employee who is retiring on the grounds of ill-health but has less than 2 years' LGPS membership will only be eligible to receive a refund of pension contributions.

Employees who are not LGPS members can be considered for an ill-health assessment by Occupational Health however they will not benefit from the provisions of this policy or the pension scheme.

There are 3 tiers of ill-health benefits available to current scheme members under the LGPS:

Tier	Definition	Pension Benefits
1	No reasonable prospect of the scheme member obtaining gainful employment before normal pension age.	The scheme member receives benefits based on their annual accrued rights up to the date of termination and enhancement equal to all their prospective pension benefits from that date to their normal

		pension age.
2	No reasonable prospect of the scheme member becoming capable of obtaining gainful employment within 3 years of leaving, but likely to do so before reaching normal pension age.	Benefits equal to the annual accrued rights and enhancement of 25% of their prospective pension benefits to normal pension age will be awarded.
3	The scheme member is likely to be capable of obtaining alternative employment within 3 years of leaving, or before normal pension age if earlier.	Benefits equal to their annual accrued benefits payable as a pension for such time as the third-tier member does not obtain gainful employment (or is capable of it), or until the employer stops payments following a review after 18 months. The third-tier pension is payable for a maximum of 3 years.

Application process for current scheme members

1. The manager should contact the HR team (telephone: 01509 634606 or email: HR@charnwood.gov.uk) to discuss whether it would be appropriate to refer the employee to Occupational Health for an ill-health retirement assessment. If it is deemed appropriate for a referral to be made, the manager should meet with the employee to discuss and agree the content of the referral. Where the employee has more than one post with the Council, the referral must include details of all posts as the employee may be deemed to be incapable of continuing in one role, but not the other(s).
2. HR will submit the referral to Occupational Health along with the appropriate ill-health retirement certificates and any supporting documentation. Copies of the relevant blank certificates are available in the Pension Section's [Ill-Health Retirement Guide](#). Where the employee has more than one post with the Council, separate certificates must be submitted for each role.
3. The Independent Registered Medical Practitioner (IRMP) will assess the employee's case to determine whether or not they are, as a result of ill-health or infirmity of mind or body, permanently incapable of discharging efficiently the duties of their post(s).
4. The IRMP will complete the appropriate certificate(s) and provide this to the employee's manager along with any report, via HR. Where the employee has more than one post, any supporting report must confirm whether one or all posts are affected by the decision. There are three possible outcomes:
 - Ill-health retirement is recommended, including which 'tier' of pension benefits applies (certificate A);

- Ill-health retirement is not recommended as the employee is not permanently incapable of discharging efficiently the duties of their current employment (certificate B);
 - Ill-health retirement is not recommended but the employee is permanently incapable of discharging efficiently the duties of their current employment. They are however immediately capable of undertaking other gainful employment (certificate B).
5. HR will write to the employee, usually within 10 working days, to advise them of the outcome of the assessment, including a copy of the certificate and any report. The employee must be advised of their right to [appeal the outcome](#) and the process that they need to follow if they wish to exercise this right.
 6. If the certificate and report indicate that ill-health retirement is recommended (and this is endorsed by the Director), the employee should be provided with written notice that their contract will be terminated on the grounds of ill-health. The employee is entitled to be paid for outstanding contractual annual leave (which may include annual leave from previous annual leave years). In certain circumstances, it may be appropriate to agree with the employee that they will be paid their notice in lieu. As the implications of agreeing to this will vary depending on the individual concerned, the manager/HR will ensure that these are clearly explained to the employee before they confirm agreement.
 7. HR will forward a copy of the employer notification (form I-HNOTN in the [Ill-Health Retirement Guide](#)) to the Pension section along with a copy of the relevant certificate signed by the IRMP.
 8. The manager will terminate the employee's record in i-Trent..
 9. On receipt of the employee's final salary information from payroll, the Pension section will issue the employee with their options letter.
 10. If the certificate and report indicate that the employee is capable of continuing in their current role, they should continue/return to their normal duties (with the application of any identified reasonable adjustments, if applicable). Ongoing monitoring and support should be provided in line with the Attendance Management Policy & Procedure or [Performance Management Policy](#).
 11. If the certificate and report indicates that the employee cannot return to their current role but is capable of undertaking alternative work, the possibility of redeployment should be explored in line with the Redeployment Policy.

Application process for deferred scheme members

1. The deferred member should write to the HR team to request the early payment of their deferred benefits on the basis that they believe that they have become permanently incapable of performing the duties of their former post by reason of ill-health.

2. HR will submit a referral to Occupational Health along with the appropriate ill-health retirement certificates (based on when the individual's scheme membership ceased) and any supporting documentation. HR will confirm the individual's scheme membership end date with the Pension section. Copies of the relevant blank certificates are available in the Pension Section's [Ill-Health Retirement Guide](#).
3. The Independent Registered Medical Practitioner (IRMP) will assess the individual's case to determine whether or not they are, as a result of ill-health or infirmity of mind or body, permanently incapable of discharging efficiently the duties of their former post(s). Where the IRMP requires copies of medical reports from the individual's GP, consultant, etc., the cost of these reports must be met by the deferred member, not the Council.
4. The IRMP will complete the appropriate option on the certificate and provide this to HR along with any report. Where ill-health retirement is recommended, HR will check the certificate to ensure that the date of incapacity is not prior to the individual's scheme membership end date.
5. HR will write to the deferred member to advise them of the outcome of the assessment, including a copy of the certificate and any report. The individual must be advised of their right to [appeal the outcome](#) and the process that they need to follow if they wish to exercise this right. HR will forward a copy of the employer notification (form I-HNOTN in the [Ill-Health Retirement Guide](#)) to the Pension Section along with a copy of the relevant certificate signed by the IRMP.

Right of Appeal for Existing Employees and Deferred Members

If the employee/deferred member wishes to appeal the outcome of their ill-health assessment including the tier awarded, they should submit their request in writing to the HR, within 7 working days of receiving their outcome letter. The request should outline the reasons for appealing the decision and may include further information in support of their case as is felt appropriate.

A second opinion on the ill-health retirement outcome will be obtained. If the second opinion confirms ill health retirement is recommended, the certificate and report are forwarded to the Director for review and possible endorsement. The employee/deferred member will receive written confirmation of their ill health retirement as per the process set out above. HR will forward a copy of the employer notification (form I-HNOTN in the [Ill-Health Retirement Guide](#)) to the Pension section along with a copy of the relevant certificate signed by the IRMP.

Alternatively, if the second opinion does not recommend ill health retirement the employee/deferred member will receive written confirmation of the outcome of their appeal.

If the employee/deferred member is still unhappy with the decision at this stage, they should be advised to contact the Pension section who will discuss invoking the Internal Disputes Resolution Procedure (IDRP).

Replacement of an Employee who is Ill-Health Retired

Employees who are ill-health retired will be given the appropriate notice according to their length of service and will remain in post until the date this notice expires. Where a key post is involved and the delay in appointing a replacement will seriously affect service delivery, the post may be filled with the agreement of the relevant Director.

Third Tier Ill-Health Pensions

Where an employee is granted a tier three ill-health pension, HR is required to undertake an eligibility review after 18 months. The Pension section will write to HR approximately 3 months before the assessment date, to remind them of the required review. Enclosed with that reminder will be an employer declaration and a review certificate (for the IRMP to complete). All reviews must be completed prior to the 18-month review date.

In order to avoid any unnecessary reviews by Occupational Health, HR will write to the former employee to confirm whether or not they are in gainful employment. If they are, a review will not be required. HR will complete part A of the employer declaration and return it to the Pension section so that the third-tier payments can end. A review will also not be required where an individual reaches their normal pension age prior to the 18-month review; their pension will continue to be paid after the 3 year point.

If the individual advises that there has been no change in their condition or their condition has worsened, they must be referred for a review by Occupational Health. The Independent Registered Medical Practitioner (IRMP) will be asked:

- Whether it is still the case that gainful employment could have been obtained within a reasonable period of leaving the Council's employment (and the precise point at which gainful employment could be obtained); or
- If the individual is judged to be incapable of undertaking gainful employment within a reasonable period but is likely to be able to obtain gainful employment before their normal pension age.

HR will complete part B of the employer declaration and return it to the Pension section along with a copy of the review certificate completed by the IRMP. If the IRMP recommends that an individual's pension should continue for a further 18 months and this takes them beyond their normal pension age, the individual's pension will continue to be paid after the 3 year point.

If the IRMP's opinion is that the individual remains capable of gainful employment within the reasonable period, the Pension section will be advised to stop the third tier payments from the date specified by the IRMP. If a date is not specified, the payments will cease on the third anniversary of the individual's leaving date.

If the IRMP's opinion is that the individual's condition has worsened (and it's due to the same condition that the original assessment was made on) and they are therefore unlikely to be capable of undertaking gainful employment within 3 years of their leaving date, this will result in the individual being uplifted to tier two from the 18 month point onwards. There is no option available to uplift to tier one. An individual can submit a request to have their eligibility for tier two to be considered as long as it is either during the third tier payment period or within 3 years of their third tier payments being stopped. If the individual's worsened ill-health is due to a separate condition to the one on which the

original assessment was based, an application for the pension to be re-instated can be considered however there would be no uplift to the benefits.

Scheme members must notify HR immediately, in writing, if they obtain new employment prior to the 18-month review date. Pension payments will be stopped if this is deemed to be 'gainful employment'. If the individual fails to advise the Council of any new employment and pension payments continue to be made, the Council will pursue the recovery of any overpayments.

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Pension Release Due to Voluntary or Compulsory Redundancy

Information regarding the release of an employee's pension as a result of voluntary or compulsory redundancy is contained within the [Organisational Change Policy and Procedure](#).

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Pre-Retirement Course

Employees who are considering retirement may have the opportunity to attend the 'Planning a Positive Retirement' course at no cost to themselves. Courses are currently demand lead and employees should register their interest with the Learning and Organisation Development Service through line managers. Paid time off will be granted to employees attending this course.

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Appendix A - Glossary of Common Terms

Scheme Member / Member - An employee who is currently a member of the Local Government Pension Scheme (LGPS) or an ex-employee who has deferred pension benefits within the LGPS.

Normal Pension Age - For LGPS pension purposes, 'normal' pension age is linked to an employee's state pension age (but with a minimum of age 65).

Actuarial reduction - A reduction of the pension benefits based upon the pension the member would have received had they retired at their normal pension age.

Capital / Strain costs - Capital costs are the strain on the Pension Fund that arises in cases that result in the early payment of pension benefits. These costs could be substantial and are recharged to the employing department.

Gainful employment - Paid employment for not less than 30 hours per week for a period of not less than 12 months.

Independent Registered Medical Practitioner (IRMP) - Is an independent registered medical practitioner qualified in occupational health medicine, who provides an independent service for Charnwood Borough Council managers and employees.

Permanently incapable - This is defined as meaning that the scheme member will, more likely than not, be incapable of obtaining gainful employment until at the earliest, their normal pension age. In addressing questions about permanency, whether in terms of the local government employment or gainful employment elsewhere, consideration must be given, not to the immediate or foreseeable future, but to the date when the member attains their normal pension age.

Reasonable period - A period of three years.

85 Year Rule (rule of 85) - Where age and scheme membership totals 85 years. The 85 year rule has been removed with effect from October 2006. Active members on 30th September 2006 retained some protections against the removal of the 85 year rule. In their case; benefits in respect of membership before April 2008 will be calculated in accordance with the 85 year rule. For members aged 60, and able to achieve the 85 year rule, before 1st April 2016, all benefits in respect of membership before April 2016 will be calculated in accordance with the 85 year rule. Further information about the rule of 85 can be obtained using the link provided: <https://www.lgpsmember.org/your-pension/planning/taking-your-pension/the-85-year-rule/>. It is advisable to contact the pensions department should you have any further questions in regard to the rule of 85.

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