



Cherwell

DISTRICT COUNCIL
NORTH OXFORDSHIRE

Pension and Retirement Policy Statement

DOCUMENT CONTROL

Organisation(s)	Cherwell District Council (CDC)
Policy title	Pension and Retirement Policy Statement
Owner	Human Resources
Version	1.0
Date of implementation	1 November 2022

DOCUMENT APPROVALS

This document requires the following committee approvals:

Committee	Date of meeting pending approval
CDC Personnel Committee	17 October 2022 (16:00)

DOCUMENT DISTRIBUTION

This document will be distributed to all employees of Cherwell District

DATE FOR REVIEW

No later than 1 November 2025 but sooner if impacted by legislative changes

REVISION HISTORY

Version	Revision date	Summary of revision

This policy statement covers:

- Preamble
- 1** Pensions
- 2** Retirement
- 3** Special Retirements
- 4** Redundancy with no entitlement to immediate payment of pension benefits
- 5** Disputes Procedure

Preamble

This policy sets out Cherwell District Council's approach to the administration and management of pensions and retirement for employees who are members of the Local Government Pension Scheme (LGPS) or are eligible to join. It incorporates the requirements of the LGPS regulations 2014.

The provision of a contributory pension scheme is an important employee benefit which is valued by both employees and the Council as an employer. Employees are encouraged to join a pension scheme in order to make adequate provision for themselves and their dependents in their retirement or the event of misfortune such as permanent injury or illness or death¹.

Employees are no longer subject to a general retirement date. Employment will therefore continue until it is ended by either the employee giving notice or action by the employer for a specified reason such as redundancy or dismissal for conduct or capability reasons.

The Council acknowledges the importance for employees who are planning to retire to achieve a balance between work and other interests. Managers are encouraged to seriously consider requests for flexible working arrangements which are desired as a variation to the existing contract of employment. However, managers reserve the right to refuse requests where there are sound business reasons which require that the job under consideration can only be carried out effectively on its present basis.

1 To assist with the costs of making pension provision, from April 2014 employees can choose to pay half rate contributions to build up half the standard benefits which may be a more affordable option for some.

1 Pensions

- 1.1 This policy applies to all employees who are members of the LGPS or are eligible to join. Employees with a contract for at least three months; and aged between 16 and 75 will be brought into the LGPS automatically from their first day of employment. Those with a contract of less than three months, and casual employees, have a right to join and will need to opt in (also see para 4 below).
- 1.2 From the first day of employment employees will be able to elect not to be a member of the LGPS. It is not permitted to complete and return an opt-out form until after commencing employment.
- 1.3 Cherwell District Council is legally required to auto-enrol certain employees into a pension scheme once every three years and those affected will be informed in writing on enrolment. Casual employees will be postponed auto-enrolment into the pension scheme for three months. From this point on they will be auto-enrolled if eligible and will need to opt out if they wish to do so.
- 1.4 In order to determine correct pension contribution rates for employees; from 1 April 2014 a continual assessment will be made each pay period using the annual rate of pensionable pay together with any pensionable allowances.
- 1.5 If an employee feels that their contribution rate has not been assessed correctly, they must contact the Payroll Team to ask for a breakdown of the assessment no later than three months following any change. Where it is confirmed that the assessment has been made in accordance with this policy statement and appropriate LGPS Regulations but the employee is challenging the assessment, then the complaint will be referred to the Assistant Director of Human Resources. If a complaint cannot be resolved satisfactorily then employees can use the Adjudicator as in paragraph 5 below.
- 1.6 Employees with more than one job with the Council will be assessed separately for each individual contract of employment.
- 1.7 An employee who has chosen not to contribute to the Local Government Pension Scheme will receive no pension benefits from the Fund under this scheme upon retirement. Redundancy compensation will be paid where appropriate as set out in Paragraph 3.4 below.
- 1.8 The Council will not at any time augment the pension or membership of employees nor award or fund additional pension to employees unless required to do so by the LGPS Regulations

2 Retirement

- 2.1 An employee who is aged 55 or older may choose to leave and draw their pension by giving the appropriate notice. Those employees who have a sufficient period of membership in the pension scheme may choose to receive immediate payment of pension, in accordance with Pension regulations.
- 2.2 From April 2014 members choosing to leave aged between 55 and under age 60 may request immediate payment of their pension. In these circumstances all pension payable (whether built up in the scheme before or after April 2014) will be subject to a full reduction. This means there will be early payment reductions due to the employee not being of full pensionable age. The District Council will not, in any circumstance use its option to waive any or part reduction that may apply in the early payment of a pension under this section. Employees are advised to contact Pension Services for information about any pension entitlement and the arrangements for payment options.
- 2.3 An employee who is aged between 55 and 75 may request “flexible retirement” under the LGPS Regulations. This involves continuing to work and either reducing his/her hours of work or accepting a lower paid job within the Council while receiving an immediate payment of pension benefits. These pension benefits may be reduced or unreduced depending on entitlement. The council will not, in any circumstance use its option to waive any reduction that may apply in the early payment of a pension under this section. Requests for payment of part benefits will not be agreed. This flexible retirement arrangement will only be available where all of the following apply:
- Approval is obtained from the Personnel Committee for statutory officers, Corporate Directors and the Chief Executive and from Corporate Directors for all employees that are Assistant Director level and below. Each case will be considered on its merits, although an application is unlikely to succeed where there are costs to the Council and the benefits to the service are not explicit.
 - There is a mutual agreement between the employee and management that the change in hours or grade can be accommodated and the arrangement is expected to continue for a period of no less than one year.
 - The changes to employment result in a reduction in income of 20 per cent or more of the normal pay of the current contracted employment, either by a reduction in hours or a reduction in grade or a combination of both.
- 2.4 Retirement with an immediate payment of pension before normal pension age may also arise for the reasons set down in paragraphs 3.3 and 3.4 below and is subject to the conditions stated.
- 2.5 An ex-employee who has retired and is receiving a Local Government Pension will not normally be re-employed by the Council unless he/she has been selected by a full recruitment process. However, retired employees may register for short-term casual work without further process by requesting to join the staff bank. All re-employed pensioners and employees who commence employment are required to advise the Authority who pays his/her pension of any new employment as his/her pension may be reduced in accordance with Pension Scheme Regulations and Compensation Regulations.

- 2.6 Employees are advised to seek guidance about the financial implications of continuing to work and starting to draw a LGPS or personal pensions.

3 Special Retirements

- 3.1 In the case of the retirements referred to in paragraphs 3.3 and 3.4 below re- deployment to other appropriate employment will be considered and offered as an alternative to retirement where appropriate and available.

Ill Health Retirements

- 3.2 Where an employee with at least two years' membership of the LGPS has been certified by an independent Occupational Health Advisor as being permanently incapable of discharging his/her duties or other comparable duties due to ill health or infirmity of body or mind, the Council will consider awarding early retirement with immediate payment of a pension in accordance with Pension regulations. Ill health retirement may occur at any age.
- 3.3 Where the ill-health pension is for a limited period and is subsequently suspended, the ex-employee may request early payment of benefits before age 60 in accordance with paragraph 3.4 (b) below.

Other Retirements requiring the Approval of the Pensions Benefits Sub- Committee

- 3.4 Early retirement may be granted for employees aged 55 years and over with at least two years' membership in the LGPS in the circumstances set out in a) to (c) below, taking into consideration the full cost of the retirement and the best interest of the Council.
- a) Redundancy, after the Council's Redundancy Procedure has been followed.
In this case employees will receive immediate payment of their pension entitlement and redundancy compensation will be paid where appropriate in accordance with the Cherwell District Council's Redundancy Policy which is the statutory calculation based on actual pay and is not subject to age restrictions.
- b) Where an employee has continuing health problems and it is in the interests of the efficiency of the Council's operations.

In this case immediate payment of pension will be granted to an employee who does not satisfy the Local Government Pension Scheme criteria for retirement on the grounds of ill health, but who is suffering from a substantial medical or psychiatric condition and whose retirement is recommended by the Council's Occupational Health physician because he/she is likely to be significantly less efficient for the foreseeable future due to health reasons.

- c) Where an employee has requested flexible retirement and satisfies the criteria in Paragraph 2.3 above.

4 Redundancy with no entitlement to immediate payment of pension benefits

Where a redundant employee has contributed to the LGPS but has no entitlement to immediate payment of pension, which from April 2014 will include over age 55 with under two years' membership, he/she will receive redundancy compensation, where appropriate, in accordance with the Cherwell District Council's Redundancy Policy which is the statutory calculation based on actual pay and is not subject to age restrictions.

5 Disputes Procedure

Where a member of the LGPS has a dispute regarding his/her pension he/she may refer this as appropriate through the Council's Grievance Procedure or through the process laid down in the Pension Regulations to the Adjudicator.