Appendix 4

Pension and Retirement Policy

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Document Control and Overview

Organisation	Cherwell District Council (CDC)
Policy Title	Pension and Retirement Policy
Author	Human Resources
Owner	Human Resources
Version	2.0
Document Reference	
Approval Date	16/09/2026
Policy Review Cycle	3 years
Latest Review Date	17/09/2029

Document Revision History

Revision Date	Reviser	Previous Version	Description of Revision
16/09/2026	Human Resources	1.0	Three-year review.

Document Approvals

This document has been approved by:

Approval	Date
Personnel Committee	16 September 2026

Document Distribution

Name	Job Title
All employees of Cherwell District Council.	

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1. Introduction

1.1 Eligible employees who are under age 75 and have a contract of employment of three months or more will normally be enrolled into the Local Government Pension Scheme (LGPS) from the first day of employment, subject to the LGPS Regulations in force at that time.

1.2 Under the LGPS regulations, employees on contracts of less than 3 months (and certain casual workers) are not automatically brought into the LGPS from their start date. Instead, they have the right to opt into the scheme, and they may subsequently be enrolled through the employer's automatic enrolment duties if they meet the relevant criteria.

1.3 The Council is legally required to assess employees for automatic enrolment and to undertake re-enrolment exercises at the intervals prescribed by pensions legislation. Employees affected by automatic enrolment or re-enrolment will be notified in writing. Where permitted by legislation, the Council may apply a postponement period of up to three months before assessing certain employees, including some casual workers, for automatic enrolment. Following postponement, eligible employees will be enrolled into the pension scheme unless they choose to opt out.

1.4 In order to determine correct pension contribution rates for employees a continual assessment will be made each pay period using the annual rate of pensionable pay together with any pensionable allowances. The pension contribution rates can be found on the Human Resources intranet page under Human Resources/Payroll/Pensions.

1.5 If an employee feels that their contribution rate has not been assessed correctly, they must contact Payroll to ask for a breakdown of the assessment no later than three months following any change, except in extenuating circumstances. Where it is confirmed that the assessment has been made in accordance with this policy 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 process detailed in the Pension disputes and appeals section of this policy.

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 LGPS will receive no pension benefits from the fund under this scheme upon retirement.

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.

1.9 Where there is any conflict between this policy and the LGPS Regulations, the LGPS Regulations will take precedence.

1.10 The Council will apply this policy fairly, consistently and transparently. Decisions will be based on the circumstances of each case, relevant pension regulations, relevant employment policies, legal duties and the evidence available at the time.

2. Employee representation

2.1 Employees are encouraged to seek advice before making decisions about pension or retirement matters, particularly where decisions may have long-term financial, employment or wellbeing implications.

2.2 Employees may seek advice and support from their recognised trade union at any stage of this policy.

2.3 Employees may be accompanied by a recognised trade union representative or workplace colleague at formal meetings relating to flexible retirement, ill-health retirement, early retirement requiring employer approval, retirement linked to redundancy, pension-related employment concerns, appeals or disputes relating to the application of this policy.

2.4 Reasonable adjustments will be considered where an employee is disabled or has a health condition that affects their ability to engage with this policy, attend meetings, understand information, complete forms or participate in discussions.

3. Retirement

3.1 Employees aged 55 or over may, subject to the LGPS Regulations in force at the time, elect to receive payment of their pension benefits before their Normal Pension Age. Where benefits are paid early, they will normally be subject to actuarial reduction in accordance with the LGPS Regulations.

3.2 Employees will not be asked or pressured to retire because of their age. Retirement decisions must be employee-led unless employment ends for another fair and lawful reason, such as redundancy, capability or ill health.

4. Flexible Retirement

4.1 Employees aged 55 or over may apply for flexible retirement in accordance with the LGPS Regulations in force at the relevant time. Flexible retirement enables an employee, with the Council's agreement, to continue working whilst drawing some or all of their pension benefits, subject to the applicable LGPS rules and employer discretions.

4.2 Flexible retirement will involve a reduction of 20% or more of the employee’s normal pay by either:

- a reduction in contractual hours; and/or
- a move to a post with a lower level of responsibility or remuneration.

4.3 Flexible retirement is not an automatic entitlement and will only be approved where there is a clear business case and the arrangement can be accommodated without an adverse impact on service delivery.

4.4 All requests for flexible retirement will be considered on their individual merits, taking account of:

- the operational and service requirements of the Council;

- workforce planning considerations;
- any financial implications for the Council;
- the sustainability of the proposed working arrangements; and
- the requirements of the LGPS Regulations and the Council's Employers LGPS Discretions Policy.

4.5 Any approved reduction in hours, responsibilities or remuneration will normally be expected to represent a permanent or long-term (no less than one year) change to the employee's contractual arrangements.

4.6 Pension benefits paid under flexible retirement may be subject to actuarial reduction where payment is made before the member's Normal Pension Age, in accordance with the LGPS Regulations and the Council's Employers LGPS Discretions Policy.

4.7 Approval of flexible retirement applications is to be obtained by the Assistant Director / Head of Service.

4.8 Employees considering flexible retirement are encouraged to obtain a pension estimate from the administering pension authority and, where appropriate, seek independent financial advice before making an application.

4.9 The employee will be invited to a meeting to discuss the request before a final decision is made and may be accompanied by a trade union representative or workplace colleague.

4.10 The decision will be confirmed in writing and if approved, detail the expected start date and agreed contractual change(s).

4.11 Where a request is refused, the employee may appeal within ten calendar days of receiving the written decision to the Assistant Director of Human Resources. The appeal should be heard by a manager who has not previously been involved wherever reasonably practicable.

5. Re-employment following retirement

5.1 Employees who have retired and are in receipt of an LGPS pension may apply for employment with the Council. Any appointment will normally be made in accordance with the Council's recruitment and selection procedures.

5.2 Individuals who are re-employed following retirement remain responsible for complying with any requirements of the pension fund administering their LGPS benefits and should notify the administering authority of any new employment where required.

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

6. Ill Health Retirements

6.1 An employee may be considered for ill health retirement in accordance with the LGPS Regulations in force at the relevant time where they are assessed as being permanently incapable of efficiently discharging the duties of their employment because of ill health or infirmity of mind or body.

6.2 Any decision regarding entitlement to ill health retirement benefits will be based on certification provided by an Independent Registered Medical Practitioner and will be determined in accordance with the applicable LGPS Regulations and guidance.

6.3 Medical information obtained during ill health retirement proceedings will be treated as confidential and processed in accordance with data protection legislation. Only those individuals who reasonably need access to medical information for the purpose of managing the process or making a decision will have access to it.

6.4 Ill health retirement may occur at any age, subject to the employee meeting the statutory criteria.

6.5 Any subsequent review, cessation or alteration of ill health retirement benefits will be managed in accordance with the LGPS Regulations in force at the relevant time.

6.6 Employees who are considering, or who may be affected by, ill health retirement should speak to their HR Business Partner. Employees are also encouraged to seek advice from their recognised trade union, the pension administering authority and, where appropriate, seek independent financial advice.

7. Early retirement cases requiring employer approval

7.1 The Council will consider requests for the early payment of pension benefits only where permitted by the LGPS Regulations and the Council's Employers LGPS Discretions Policy in force at the time of the application.

7.2 Early retirement cases may arise in circumstances including, but not limited to:

- redundancy;
- flexible retirement;
- efficiency or organisational change requirements;
- ill health retirement; and
- any other circumstances permitted within the LGPS Regulations.

7.3 All requests will be considered on their individual merits and in accordance with:

- the LGPS Regulations;
- the Council's Employers LGPS Discretions Policy;
- relevant employment policies and procedures; and
- the financial and operational implications for the Council.

7.4 Where retirement arises as a result of redundancy, pension and compensation arrangements will be determined in accordance with the LGPS Regulations, statutory requirements and the Council's Organisational Change Policy.

7.5 Approval of any early retirement request will be subject to the appropriate authorisation arrangements in force at the time of the application.

7.6 Employees who are considering retirement are encouraged to obtain information regarding their pension benefits from the administering pension authority and, where appropriate, seek independent financial advice before making any decisions about retirement.

8. Redundancy where there is no immediate entitlement to pension benefits

8.1 Employees who are dismissed by reason of redundancy and who do not qualify for the immediate payment of pension benefits under the LGPS Regulations will be entitled to any redundancy compensation due in accordance with the Council's Organisational Change Policy and relevant statutory provisions.

8.2 Any entitlement to deferred pension benefits will be determined in accordance with the LGPS Regulations and administered by the relevant pension authority.

9. Pension disputes and appeals

9.1 Any questions or concerns regarding pension benefits should, in the first instance, be raised with the relevant pension administering authority or the Council's HR/Payroll team, as appropriate.

9.2 Where a member of the LGPS wishes to challenge a decision relating to their pension benefits, they may do so through the dispute resolution procedures set out in the LGPS Regulations in force at the relevant time.

9.3 Employment-related matters, including concerns regarding the application of Council's policies or procedures, may be raised through Council's Grievance Policy and Procedure where appropriate.

9.4 Information on pension dispute resolution processes and any further rights of appeal will be provided upon request or can be obtained from the relevant pension administering authority.