

Title	Retirement Policy
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Version	Date	Description
0.1	August 09	Policy developed
0.2	Sept 09	Policy approved at Management Board
0.3	Oct 09	Policy approved at Works Council
0.4	17/11/09	Policy amendments following EIA
0.5	11/12/09	Policy submitted to Council
1.0	29/01/10	Policy amended after Council agreed to maintain default retirement age. Policy re-submitted to Council and approved

General

1. The Employment Equality (Age) Regulations came into force on 1 October 2006. HEFCW has a default retirement age of 65 in line with these Regulations. Permanent employees can choose to retire from their pension age (the age at which they can draw their pension) until age 65. Depending on the pension scheme to which an employee belongs, pension age can be 60 or 65 years of age. The employee has a right to make a formal request to work beyond the default retirement age of 65 and HEFCW's duty to consider the request, HEFCW has the right not to give a reason.
2. This policy does not apply to employees employed on a casual or fixed term appointment basis.
 - **Pensionable Age** – the age at which an individual is able to draw down their pension benefits.
 - **Retirement Age** – the age at which an individual retires.

- **Default Retirement Age** – From 6 October 2006 legislation dictated this must not be lower than 65, and an employee cannot be forced to retire earlier, excluding ill health and occupational requirements (a review by the Government of the default retirement age is expected to be undertaken in 2010).

Roles and responsibilities

3. Employees are responsible for:

If prior to their 65th birthday:

- notifying their line manager of their intention to retire ideally at least six months in advance of their intended retirement date and agreeing a date with them (please see 'Notice on Retirement' for minimum notice periods);
- contacting HR to advise them that they wish to retire at least six months before their planned retirement date (please see 'Notice on Retirement' for minimum notice periods);
- formally confirming their intended retirement date to their line manager and HR at least six months before their planned retirement date;
- making enquiries about the effect of remaining in employment on their pension;

For all employees

- If an employee wishes to work beyond their 65th birthday, the employee makes a formal request to HR three months before the stated retirement date;
- informing HR whether a pre-retirement course is required;
- returning all HEFCW property prior to or no later than the last day of service;
- complying with the rules governing the behaviour of former employees.

4. Line managers are responsible for (if the employee intends to retire prior to their 65th birthday):

- endorsing an employee's retirement intentions and agreeing a retirement date with the employee;
- ensuring that HR is notified.

5. HR is responsible for:

- advising employees and line managers on the application of the policies and procedures and appropriate appeal/grievance mechanisms set out below;
- informing the employee between 12 and six months prior to their 65th birthday of the planned date of the intention to retire them;
- informing the employee of their right that HEFCW must consider their formal request to remain working past their 65th birthday;
- ensuring the employee is informed in writing of the outcome of the decision of their request to work beyond their 65th birthday;
- informing the employee of their right to appeal and ensuring the appeal is carried out;

- automatically contacting PCSPS scheme members as they approach pension age (depending on the pension scheme) and annually thereafter to enquire about their intentions (if this is prior to their 65th birthday);
- processing pensions information when an employee notifies them of their intention to retire;
- starting pension payment arrangements when the last day of service is confirmed;
- on retirement, ensuring that annual leave entitlement is correctly calculated, pay is stopped and that the employee receives their pension;
- ensuring that appropriate records are kept.

The policy

6. Currently HEFCW's pensionable age is 60 or 65 (depending on the pension scheme), employees can retire from the age of 60 or 65 without a reduction in pension benefits. If an employee chooses to draw down their pension at age 60 and retain a part time salary this will impact on allowable earnings – ie, the sum of both should not be higher than their original salary. Full details are available from our pension providers (see intranet).
7. An employee wishing to retire prior to their 65th birthday and in accordance with this policy and procedure will be a retirement as defined under the Employment Equality (Age) Regulations 2006. HEFCW retiring an employee at age 65, if the procedures are followed correctly, this will be a fair retirement and not regarded as unfair or age discriminatory.
8. In order to allow payment of pensionable benefits after an employee's 65th birthday, an employee's last day of service will normally be on the day of their 65th birthday.
9. All employees will be entitled to attend a pre-retirement course before they leave HEFCW which will be arranged by HR. Employees should seek advice from HR about the availability and timing of such courses.
10. This policy does not provide advice about, or affect current arrangements relating to, any of the early retirement schemes which may be available or apply to employees under the rules of the civil service pension schemes. Further information about these schemes can be obtained from HR or directly from www.civilservice-pensions.gov.uk.

Procedure

Employees approaching pensionable age

11. HR will write to employees and their line managers, between six and twelve months before their pensionable age, advising them they are approaching the minimum age at which they would be entitled to draw their pensionable benefits.
12. Should employees wish to leave HEFCW at pensionable age, they should write to their line manager with a copy to HR, informing them of their intention to resign, providing the appropriate period of notice in accordance with this policy. Employees

who wish to apply to reduce their hours or work in a lower grade post once they have reached pensionable age should also refer to HEFCW's policy on flexible working.

13. The line manager must inform HR of the employee's request to retire to enable them to make the appropriate arrangements for the employee's pensionable benefits to be paid. Employees should note that it could take up to ten weeks for HEFCW's pension administrators to complete the process of calculating and paying pensions.

Working beyond pensionable age (if this is 60) until 65th birthday

14. If employees wish to working beyond their pensionable age and until their 65th birthday they should:
 - a. confirm this in writing to their line manager with a copy to HR;
 - b. if applicable, request a change to working patterns (e.g. reduced hours, flexible working), and the date on which it is proposed that the change should become effective.

Response to a request to change working patterns

15. Unless there are circumstances which prevent such action being taken, for example annual leave, the line manager should, within 15 working days of receiving a request to continue working:
 - a. inform HR;
 - b. hold a meeting with the employee to discuss the request and impacts on team members;
 - c. discuss the request and potential options with the Head of Team/Director (as appropriate) and HR;
 - d. if there are potential solutions, discuss these with the employee with the aim of arriving at a mutually agreed option;
16. HR will confirm in writing any changes to the employee's working pattern.
17. Where a change to working pattern is agreed, this constitutes a permanent variation of the employee's contract. This means that if a new working pattern has been agreed e.g. a reduction in working hours, an employee cannot revert to their previous terms and conditions of employment once the change has been made without making a request to do so and having this agreed.

Other related matters

Pensionable matters

18. If an employee wishes to remain in employment once they have reached pensionable age, employees may, in certain circumstances, be able to draw their pensionable lump sum and some, or all, of their pension. In order to qualify for the payment of benefits and remain in employment, employees will either:
 - a. have to request to work in a lower grade post, and that request be agreed; or
 - b. request to work part time for not more than 75% of their current conditioned hours (i.e. for employees already working part time, the calculation is 75% of the hours they work, not the full time equivalent) and that request be agreed.
19. Should such requests be agreed, most employees who draw their benefits and remain in work will be entitled to retain membership of their existing pension scheme and accrue more pensionable service during re-employment which will ultimately increase their pensionable benefits when they finally leave employment. However, employees in the Premium pension scheme who draw their pensionable benefits and who remain in the same grade but work part-time will only have the option of opening a partnership account during re-employment.
20. The above provides a brief summary of the arrangements relating to continued employment after pensionable benefits have been paid, this guidance does not override the rules of the pension schemes. Employees should, therefore, ensure they obtain advice from HEFCW's Pensions Administrators about the implications of their actions before making decisions about applying to work part-time or work in a lower grade post.
21. Details of the policy and procedure relating to requests to work part-time can be found in HEFCW's policy on flexible working, requests to work in a lower grade post should be made to the line manager and will be dependent upon a vacant post being available.
22. HR will make the arrangements for employees' pensionable benefits to be paid at the appropriate time. Advice about issues relating to pension schemes can be obtained by employees by contacting HEFCW's pensions administrators; HOPPS by emailing pensions.customerservices@homeoffice.gsi.gov.uk or telephone 0845 000 0012. HR is unable to provide advice or interpretation about the rules of the pension schemes.

Action before leaving HEFCW

23. Employees who are leaving HEFCW are reminded that:
 - a. a duty of confidentiality continues to apply (see HEFCW's Code of Conduct and Conflicts of Interest policy); and
 - b. they should hand in all HEFCW equipment including; mobile phones; laptops; security passes and; documentation before or on their last day of service.

Annual leave

24. When employees retire or resign from HEFCW part way through their leave year, their annual leave allowance in that year will be proportionate to the period of service in that year. The annual leave allocation in an employee's final year will be recalculated from the start of the leave year to the agreed last day of service.
25. Normally, an employee's retirement date is known well in advance and employees should ensure they take their full recalculated annual leave allowance before retirement. In exceptional circumstances employees will be paid for any untaken annual leave. If, following the recalculation of the employee's annual leave allowance, more leave has been taken than has been accrued up to the last day of service, HEFCW will reclaim the value of the excess leave taken from the employee's last monthly salary.

Pay issues

26. Where pay has to be calculated for a period of time other than a complete month, it will be calculated using the working days formula of one day being 1/260 of annual salary, in accordance with the pay and grading policy.

References

27. Requests for official employer references from former employees should be made to HR. HR will work with staff in producing references. No employee outside HR may provide an official employment reference or testimonial without HR consultation except on personal matters unrelated to the employee's work.

Notice periods

Notice on retirement if retiring prior to the employee's 65th birthday

28. If an employee wishes to retire prior to their 65th birthday, this date is mutually agreed between the line manager and the employee and will be considered in line with HEFCW's operational needs. However, where that is not possible, HEFCW will require employees to give the minimum period of notice as stated in their contract.
29. Employees are requested, wherever possible, to give as much notice as they can, and preferably six months in advance of the intended date of their intention to retire. This is so that arrangements can be put in place as far in advance as possible to make payment of pension at the appropriate time.

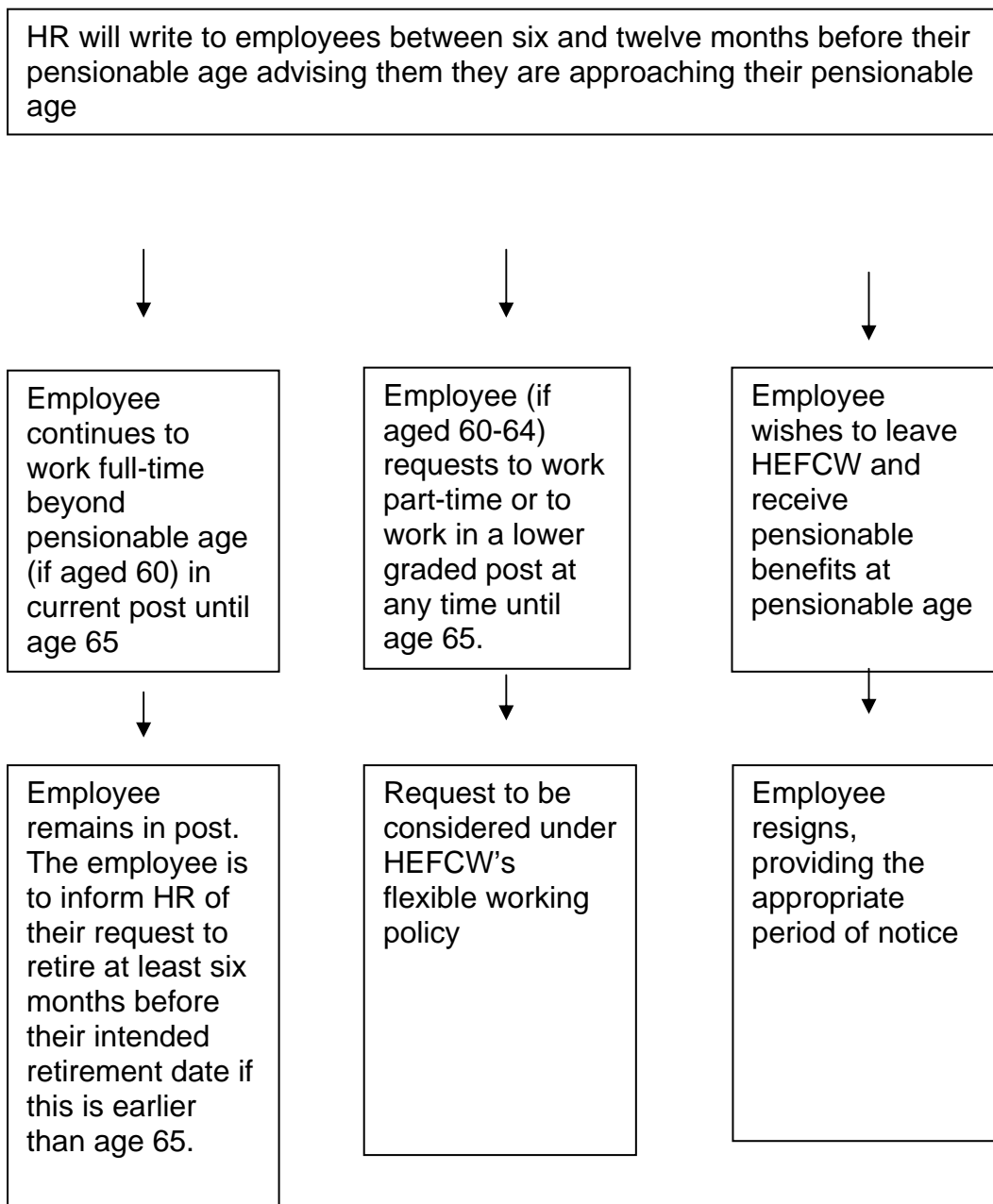
Further advice

30. For further advice on this policy or related policies, please contact HR. The ACAS website offers further information;
<http://www.acas.org.uk/CHttpHandler.ashx?id=589&p=0>

Appendix 1: Flowcharts

The following flowcharts provides an outline of the procedures in this policy.

Procedure for employees approaching pensionable age



Procedure for employees approaching default retirement age

