

**HR** Procedur**e**

**LGPS**

**Early Release Procedure**

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| --- | --- | --- |
| Version Control | Changes Made | Author |
| V1June 2015 | Specific guidance introduced outlining process for Early Release | S Benson |
| V 2 June 2017 | Updated authorisation process | S Benson |
| V3 November 2018 | Specific paragraph (2) inserted explaining voluntary retirement | R Reay |
| V4 January 2019 | Change to titles. Remove reference to application for Rule of 85 | S Benson |
| V5 April 2019 | Removal of reference to Abatement | S Benson |
| V6 November 2020 | Consent for estimates | S Benson |
| V7 August 2021 | YPS has changed to LPPA | People Management |

**Introduction**

This document sets out the procedure to be followed in cases where, during a period of reshaping or other reductions in staff numbers, employees may be able to take early retirement and seek access to their pension provided there are either immediate savings or savings can be realised within a maximum 3 year period.

This procedure is not suitable for those just wishing to retire early. If you wish to voluntary retire early and are over the age of 55 you can contact LPPA direct who can provide you with estimates. Your pension may be reduced, depending on your circumstances, due to early payment. Once your notice period has been worked, you can retire early.

Where the need to reduce employee numbers has been identified, the Executive Director of Corporate, Customer and Community Services may seek volunteers for early retirement.

**Financial Prudence and Managerial Responsibility**

Before any application for early retirement is approved, the full additional estimated cost of the termination must be shown to be recoverable within three years of the employee’s termination date.

Managers must not enter into any commitment on behalf of the Council in informal discussions with employees about the possibility of early retirement.

Eligible employees granted Early Retirement will receive immediate pension benefits in accordance with the Pension Regulations.

This procedure refers to the Local Government Pension Scheme (LGPS) only, for other pension schemes refer to the scheme information for guidance on early release of pension benefits.

**Application**

The Scheme of Early Retirement in the Interests of the Efficiency of the Service (Early Release procedure) is selective and will be operated entirely at the discretion of the Executive Director – Corporate, Customer and Community Services.

The earliest age you can ask for early retirement with your employer's consent is 55 and you need to have been employed by the Council (at the time of retirement) for more than 2 years or be on a contract allowing application to be made under the Scheme.

Early Release may be approved only where the retirement of the employee will be in the interests of the efficiency of the service. Reasons for efficiency include the following:

* + - effectiveness- where the employee’s ability to perform in the job means it is not feasible for the employee to undertake the skills or competencies to continue to do the job.
    - economy– where the Council could operate in a more economic manner as a result of the early release.
    - where it would create internal job opportunities, or unblock promotion channels, which the Council could fill through succession planning and internal appointment.
    - where it is considered to be in the interests of the Council to better deliver the corporate priorities and the priorities of the individual employee’s job.
    - health and compassion – where an employee’s personal circumstances suggest that early release might be appropriate.

An employee wishing to apply for Early Retirement should make an application in writing to their Executive Director giving such supporting information as they consider appropriate.

**Making the Decision**

The relevant Executive Director will make a recommendation to the Executive Director of Corporate, Customer and Community Services, outlining the cost and service implications and covering the following points:

* The costs of allowing the release, including the cost to the Council of employees eligible for immediate access to their pension benefits, and the consequent reduction in salary costs;
* Whether the full estimated costs can be recovered by reduced salary costs within three years;
* How the proposed early retirement fits in with the Service and Corporate plans; and how the need to recover the applicable costs will impact on the delivery of the Service.

The Executive Director of Corporate, Customer and Community Services will make the final decision on any recommendation made to them by an Executive Director.

Applications from Executive Directors and Assistant Directors will be referred to the Chief Executive for consideration.

Where an Executive Director does not consider the release of the employee to be in the interests of the efficiency of the service, or where the recommendation is not approved, there is no right to appeal against this decision.

In the event that the costs of the proposed early retirement cannot be met from the appropriate budget(s), or cannot be met from reduced salary costs without an unacceptable effect on the delivery of the service, the employee’s respective Executive Director may (with support from the Council’s Section 151 Officer (CCC only)), if it is considered that the early retirement is in the best interests of the Council as a whole, request the Executive Management Team make additional finance available to help fund the early retirement.

**Processing the Decision and Notifying the Employee of the Decision**

Once an application is approved, the Line Manager with support from People Management will:

* Settle by mutual agreement with the employee the date the employee’s contract and employment with the Council will terminate;
* Notify the employee in writing that his or her services are to be terminated on the grounds of business efficiency. The requirement to give a specific period of notice may be waived in the case of an employee who retires early in accordance with the scheme; there is no obligation for the Council to pay in lieu of the employee’s contractual notice;
* Notify LPPA and ask them to advise the employee of their pension options as soon as possible, where this is applicable;
* Answer any employee’s questions on early retirement.

Finance will be responsible for the recording of decisions taken in respect of all early retirements (including under Regulation 31 (the 85 Year Rule)) to identify whether forecasted savings have been achieved and will report exceptions to the Executive Management Team.

The Executive Director of Corporate, Customer and Community Services will adjust the Council’s budgets as necessary to reflect the financial effect of approved early releases.

The procedure may be amended at any time by the Senior Manager, People Management.

**Appeals**

There is no appeal against a decision not to recommend approval or where a recommendation is not approved.

**Re-engagement Following Early Release**

Employees who take early retirement will not be considered for re-employment for any core-County Council post for a period of 12 months from the date of termination of employment. If re-engagement is contemplated after this time the Senior Manager, People Management must give authorisation prior to any re-engagement taking place. This includes temporary or part-time work, work undertaken as a consultant or on an interim basis, or work undertaken as an agency worker. It is the former employee’s responsibility to check if re-engagemet will have an effect on their pension benefits / payments.

**LPPA responsibilities**

* Where the decision is made to agree to the early release of deferred pension benefits LPPA will write to the former employee to give them their retirement payment options and then process the pension.

**Review**

This procedure will be reviewed periodically in the light of developments in the law, pension’s regulations, and changes in the needs of the organisation in order to ensure continuing effectiveness and relevance.

For Schools:

* Council read school
* Executive Director read Headteacher
* Executive Director Corporate, Customer and Community Services read Governing Body.
* Senior Manager, People Management read Governing Body / Headteacher except authorisation for reengagement will remain with the Senior Manager, People Management.
* People Management read Schools HR provider / Business Manager
* Executive Management Team read Schools’ Forum

This procedure applies to Community and Voluntary Controlled schools and should be adopted by the schools governing bodies and is recommended for employees of Foundation and Voluntary Aided schools and Academies.

**Appendices**

Appendix 1 - Application Form

Appendix 2 - Outcome Letter – Application Approved

Appendix 3 - Outcome Letter – Application Not approved

Appendix 4 - Process Map

**Appendix 1**

[**Early**](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) **Retirement in the Efficiency of the Service Application Form**

**Section 1 – To be completed by Employee**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Employee’s full name: |  | | | | | | | | | | |
| Employee’s Address: |  | | | | | | | | | | |
| Employee Number: |  | | | | | | | | | | |
| Date of Birth: |  | **Age** | | | | | |  | | | |
| National Insurance Number: |  | | | | | | | | | | |
| Post title: |  | | | | | | | | | | |
| Contracted/ Guaranteed Hours per Week: |  | | | | | | | | | | |
| Annual Salary: |  | | | | | | | | | | |
| Multiple post holders:-  Please complete and tick which posts you are applying for ERS from: | **Post** | | **Location** | | | | **Hours per week** | | | **Applying for ERS?** | |
|  | |  | | | |  | | |  | |
|  | |  | | | |  | | |  | |
|  | |  | | | |  | | |  | |
| Member of Pension Scheme:  Please tick as appropriate | Local Government Pension Scheme | | | | | | | | |  | |
| Teachers’ Pension Scheme | | | | | | | | |  | |
| Civil Service | | | | | | | | |  | |
| Fire fighters Pension Scheme | | | | | | | | |  | |
| New Fire fighters Pension Scheme (post April 2006) | | | | | | | | |  | |
| Other Scheme \* please supply details | | | | | | | | |  | |
| Non-Member | | | | | | | | |  | |
| If already in Receipt of a Pension provide details: |  | | | | | | | | |  | |
| Other Terms and conditions – Please tick if you are in receipt: | Leased car | | |  | Occupational Maternity Pay | | | | | |  |
| Local car user | | |  |
| Child care vouchers | | |  | Purchased additional annual leave | | | | | |  |
| Cycle to work | | |  |
| Directorate / location: |  | | | | | | | | | | |
| Line Manager: |  | | | | | | | | | | |
| Date of appointment to Council: |  | | | | | | | | | | |
| Notional date of leaving: |  | | | | | | | | | | |
| Supporting information: | Your application will be assessed against a number of criteria. In support of your application we would invite you to comment on how the service will be more efficient if you retire, and in particular please answer the following questions: | | | | | | | | | | |
| Do you meet the rule of 85?  Must have been in the LGPS between 1 April 1998 and 30 September 2006 and protection depend on the date you attain age 60.  Y / N / Don’t know  (Please ignore part years) | | | | | Age in years | | |  | | |
| Service in years | | |  | | |
| Total | | |  | | |
| Do you hold a statutory post within the Council or a post within a statutory service? | | | | | Y / N / Don’t know | | | | | |
| Is your post involved in delivering frontline services? | | | | | Y / N / Don’t know | | | | | |
| Do you possess key skills and/or knowledge that are in short supply within the Council? | | | | | Y / N | | | | | |
| Any other comments: | | | | | | | | | | |
| Employee’s signature: | I confirm I wish to be considered for Early Retirement. I understand that neither the Council nor I are placed under any obligation by this application.  I consent to the Council seeking pension estimates from the Pension Administrator on my behalf. If I need any more information, I will contact my Manager / People Management.  I understand that if my application is successful and I leave the County Council’s employment under the ERS, I cannot be re-engaged for 12 months and after that time any application for re-engagement will require to be considered by the Assistant Director, Organisational Change.  In addition, I understand that if I were to be offered another appointment my pension may be affected. If I consider this in the future I will contact LPPA to assess the implications.  Signed\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dated \_\_\_\_\_\_\_\_\_\_\_\_  Final decisions will be made in consultation with the Executive Director. If your application is accepted, you will be required to sign an ERS Offer letter before the decision is binding on both parties. | | | | | | | | | | |

**Please now pass this form to your Manager**

**Section 2 - To be completed by Manager**

|  |  |
| --- | --- |
| Date Form received from individual: |  |
| Date Pension figures Applied for: |  |
| Date Pension figure received: |  |
| Does the employee have some protections under the rule of 85? If so what are the costs / implications? |  |
| Date pension figure sent to individual: |  |
| Capital Pension Figure (Costs to the Council): | **Please note that if the individual meets the rule of 85 you should obtain additional information about the effect / protections on their pension and the additional costs to the Council.** |

**Please now pass this form to the employee’s senior manager**

**Section 3 - To be completed by Senior Manager**

|  |  |  |
| --- | --- | --- |
| Consultation Meeting: | Date and time |  |
| Venue |  |
| Names of those present |  |
| If individual did not attend – please supply reason |  |
| Details covered in the meeting: | Content of employee’s Application - their view of their post against the ERS criteria versus their manager’s view: |  |
| Feasibility of releasing the employee from their post: |  |
| Any questions the employee may have: |  |
| Any feedback the employee may wish to give: |  |
| Comments |  |
| Additional considerations: | Is this a statutory post? Or a post involved in a statutory service? | Y/N |
| Is the Applicant’s post involved in providing front line services? | Y/N |
| How would you cover the work of the Applicant if their Application for ERS was Approved? |  |
| Reasons for efficiency:  (See scheme for items to be considered) |  | |
| What is the value of the saving? |  | |
| Senior Manager’s Recommendation: | \*Comments/ Reason for recommendation:  \*Please delete as necessary | |
| Senior Manager details: | Signature: | Post title: |
| Date: |  | |

**Please now pass this form to your Executive Director**

**Section 4 - To be completed by Executive Director**

|  |  |  |
| --- | --- | --- |
| Application Approved? | Approved \*Y / N  Reason for Approval / decline  Please specify Approval Criteria  \*Delete as applicable | |
| Executive Director: | Signature: | Post title: |
| Date: |  | |

**Please pass this form to People Management, The Parkhouse Building, Kingmoor Business Park, Carlisle, CA6 4SJ or scan and send via the People Management Portal on InTouch. People Management will arrange for the Executive Director, Corporate, Customer and Community Services to make the final decision.**

**Section 5 - To be completed by Executive Director, Corporate, Customer and Community Services**

|  |  |  |
| --- | --- | --- |
| Application Approved? | Approved \*Y / N  Reason for Approval / decline  \*Delete as applicable | |
| Executive Director, Corporate, Customer & Community Services: | Signature: | Post title: |
| Date: |  | |

**Please pass this form to the Employee’s Manager**

**Section 6 - Employee notified by Manager**

|  |  |
| --- | --- |
| **If approved:** | |
| Date Individual written to: |  |
| Leaving date: |  |
| State position number of post to be deleted (for Establishment Control): |  |
| ICT removal notified? |  |
| Have all benefits as outlined at Section 1 been stopped? |  |
| HR notification forms completed and submitted to HR Service Centre: |  |
|  |  |
| **If not approved:** | |
| Date individual written to: |  |

**Appendix 2**

**ERS Outcome letter – application approved**

<<Date>>

<<Name>>

<<Address>>

Dear <<Name>>

**Early Retirement in the Interest of the Efficiency of the Service – Outcome of Application**

I am writing to inform you of the outcome of your application to take Early Retirement in the Interest of Efficiency of the Service (ERS) from your employment with Cumbria County Council.

Following a detailed assessment, I am pleased to confirm that your application has been approved.

If you wish to accept ERS on the terms set out in the LGPS Early Release Procedure, please sign and return one copy of this letter by <<date>>. If you decline the offer of ERS by this date you will be required to provide your reasons for doing so and the Council reserves the right to withdraw the offer.

If you accept the offer of ERS, your line manager will meet with you to determine the date on which your employment will end. The exact date will depend on the needs of the service. The following matters will also need to be discussed:

* Annual leave – any outstanding annual leave entitlement will need to be used prior to the end of your employment;
* Flexi-time and TOIL – your manager will need to check any balance that you have and make reasonable arrangements for this to be used prior to the end of your employment. However, if it is not possible for you to take all of this you will lose any untaken balances.

Once your leaving date has been agreed you will be issued with a letter confirming the exact date.

You have already received an estimate of the LGPS pension benefits you could expect to receive if you accept ERS. These estimates were based on a notional leaving date of <<date>>. The Council will not be bound by any estimated figures provided which are given for illustrative purposes only. Once your leaving date has been agreed, pension benefits will be re-calculated to take account of your actual leaving date.

If you wish to withdraw your application for ERS please notify me of this fact in writing.

Please note, if you take ERS and leave the Authority’s employment then you will not be considered for re-employment for any core-County Council post for a period of 12 months from the date of termination of employment. After that, any application must be approved by the Senior Manager, People Management. If you consider applying for a post where the LGPS is a applicable pension scheme and you are in receipt of your pension then you should contact Your Pension Service on 0300 323 0260 as any salary may affect your pension benefits.

On behalf of the Council, I would like to thank you for the contribution you have made during your period of employment and I wish you every success in the future.

Yours sincerely

<<Name>>

Executive Director Corporate, Customer and Community Services

|  |  |
| --- | --- |
| I wish to accept the offer of Early Retirement in the Interest of Efficiency of the Service on the terms set out in this letter | |
| Signature |  |
| Date |  |

|  |  |
| --- | --- |
| I wish to decline the offer of Early Retirement in the Interest of Efficiency of the Service on the terms set out in this letter | |
| Signature |  |
| Date |  |
| Reason |  |

**Appendix 3**

**ERS Outcome letter - not approved**

<<Date>>

<<Name>>

<<Address>>

Dear <<Name>>

**Early Retirement in the Interest of the Efficiency of the Service – Outcome of Application**

I am writing to inform you of the outcome of your application to take Early Retirement in the Interest of Efficiency of the Service from your employment with Cumbria County Council.

Following a detailed assessment, I regret to inform you that your application has not been approved.

To obtain approval, your application has to meet the criteria for the Early Retirement in the Interest of Efficiency of the Service.

Reasons for efficiency include the following examples;

* effectiveness - where the employee’s ability to perform in the job means it is not feasible for the employee to undertake the skills or competencies to continue to do the job.
* economy – where the Council could operate in a more economic manner as a result of the early release.
* where it would create internal job opportunities, or unblock promotion channels, which the Council could fill through succession planning and internal appointment.
* where it is considered to be in the interests of the Council to better deliver the corporate priorities and the priorities of the individual employee’s job.
* health and compassion – where an employee’s personal circumstances suggest that early release might be appropriate

In your case, the criteria on which your application was based were not met for the following reasons <<detail reason(s)>>.

There is no right to appeal against this decision

Yours sincerely

<<Name>>

Executive Director Corporate, Customer and Community Services

