Flexible Retirement
 Frequently Asked Questions

If you require this information in an alternative language or another format such as large type, audio cassette or Braille, please contact the Communications, Training and Support Team on:

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What is flexible retirement?

Flexible retirement is a system that allows members to access their pension benefits and continue working and thereby having a gradual move into retirement.

At what age can I take flexible retirement?

Under the regulations any LGPS member who is age 55 or over can approach their employer to ask about accessing their pension benefits. However as flexible retirement is at the discretion of each individual employer they may specify that flexible retirement can only be taken from a specific date.

Can I take flexible retirement and continue to work full time in my current job?

NO – the regulations say that you must either:

- reduce your hours or
- reduce your grade

Your employer’s discretion policy will specify whether you need to take up a new post or can reduce your hours in an existing post. The extent to which hours will need to be reduced will also be stated; for instance the NYCC policy states that there must be a reduction of 5 to 3 days or equivalent for members who are already part time. To comply with Her Majesty’s Revenue and Customs’ rules the change in employment must be permanent and must show that the person has actually changed their employment in order to ‘phase’ into retirement either by reducing the hours in their existing employment or taking on a lower graded role.

Who do I apply to for flexible retirement?

Your employer should have a policy on flexible retirement which will explain under what circumstances they will allow the payment of pension benefits. The employer may decide that they will not allow the payment of benefits if there is a cost involved or they may specify the extent to which the employee must reduce their pay or grade. The policy will reflect the practical issues which are involved such as finding a part-time replacement if an employee goes part-time in their existing post. If it is not possible to offer flexible retirement in certain circumstances the employer can turn down the request in line with the policy.

Can I take flexible retirement but only take part of my pension benefits?

Yes. You can look to take part of your pension benefits but there are specific rules on which benefits you can take and which you can ‘preserve’ until a later date so you would need to check with the Pensions Section about the options you have.

Can I continue to pay pension contributions after taking flexible retirement?

Yes -you can start contributing again to the pension scheme if you wish. You will have a new record with your benefits being based on your new level of pay and or part time hours.
Please note that benefits that are built up after flexible retirement is taken will automatically be reduced if taken before age 65.

Can the Pension Section provide me with a flexible retirement quotation?

The decision to allow access to pension benefits due to flexible retirement is the employer’s to make and there should be a procedure in place to make a decision in line with the policy and request the appropriate pension estimate from the pension section.

However if you are aged 60 or over you can contact us directly for an early retirement quotation.

Will my pension benefits be reduced?

If you take flexible retirement before age 65, your benefits may be reduced for early payment.

If you were a member of the LGPS on 30 September 2006, some or all of your benefits paid early on flexible retirement could be protected from the reduction under the old rule of 85.

I am over age 60 can I just opt out of the Pension Fund and get my pension?

No!! The Pensions team get many queries on this from members who believe they can opt out of the pension scheme at age 60, carry on working in their existing post and access their pension benefits.

If you opt out of the scheme the regulations do not allow access to your pension benefits until you leave employment or reach Normal Retirement Age i.e. age 65 – this is not flexible retirement. Flexible retirement can only be used following the process described above.

Can I leave my current employment if I am over 60 for one day, take my pension benefits and start again with the same employer?

No!!! Her Majesty’s Revenue and Customs (HMRC) require that, unless you are taking advantage of flexible retirement, you must retire in order to access your pension benefits. If a new employment has been arranged before you leave, you would not be leaving to retire. HMRC accept that employees may wish to work again after retirement but would expect that any new employment is arranged after leaving and is done through the usual recruitment process.

What do I do next?

If you are interested in taking flexible retirement then you need to speak to your line manager/ HR section who will then consider your request.