

## **URGENT APPROVAL - FLEXIBLE RETIREMENT POLICY**

Report of the Chief Executive

### **1. SUMMARY OF REPORT**

This report proposes the incorporation of a flexible retirement policy into Derby Homes' existing Retirement policy.

### **2. RECOMMENDATION**

Committee is asked to note the urgent action to approve the policy on flexible retirement to be incorporated into Derby Homes' existing retirement policy. The proposed additional section to the policy is attached at Appendix 1.

### **3. MATTER FOR CONSIDERATION**

- 3.1 In accordance with regulation 66 of the Local Government Pensions (Administration) Regulations 2008, the Council must formulate and publish its policy on flexible retirement.
- 3.2 Flexible retirement has been available to employees since 2006. As part of the 'new look' pension scheme, the flexible retirement regulations were slightly revised in April 2008.
- 3.3 The proposed policy follows the policy adopted by the Derbyshire County Council Pensions Committee.
- 3.4 Until 31 March 2010, employees aged 50 and over who were in the pension scheme on 31 March 2008 are eligible for flexible retirement. From 1 April 2010 it will only apply to employees aged 55 and above.
- 3.5 Derby Homes can agree to these employees reducing their hours or grade and can consent to the release of pension benefits. However, flexible retirement is not a right or entitlement for employees, and is at Derby Homes' discretion.
- 3.6 The proposed policy defines flexible retirement and explains the costs Derby Homes would incur in releasing pension benefits for different categories of employees. This is based on the Government Actuary's Department guidance from the Derbyshire Pensions section on cost implications of flexible retirement, and is similar to other types of early retirement.

- 3.7 The policy proposes that flexible retirement will normally only be approved where there is no cost to Derby Homes and, in addition, there is either a definite financial benefit or it's in the business interest of Derby Homes to agree to it. However, in exceptional circumstances, there is the facility in the policy to approve flexible retirement where there is a cost to Derby Homes, when it is in Derby Homes' interests to do so.

#### **4. CONSULTATION IMPLICATIONS**

The trade unions have been consulted and agreed the proposed policy.

#### **5. EQUALITIES IMPACT ASSESSMENT**

This policy applies to employees aged 50 years and over. The terms are provided by the local government pension scheme. Each application for early retirement will need to be considered in accordance with this policy. We will monitor applications and the decisions made to ensure no group is given more or less favourable treatment.

**The areas listed below have no implications directly arising from this report**

- Financial and Business Plan
- Legal and Confidentiality
- Personnel
- Environmental
- Health & Safety
- Risk

**If Board members or others would like to discuss this report ahead of the meeting please contact the author, or the Chief Executive, [phil.davies@derbyhomes.org](mailto:phil.davies@derbyhomes.org) - Tel 01332 711010**

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**Background Information:** None.

**Supporting Information:** None.