

CANNOCK CHASE COUNCIL
COUNCIL
8TH DECEMBER 2010
REPORT OF DIRECTOR OF SERVICE IMPROVEMENT
RESPONSIBLE PORTFOLIO LEADER(S) – CORPORATE IMPROVEMENT
AMENDMENT TO EARLY TERMINATION AND RETIREMENT POLICY
KEY DECISION – NO

1. Purpose of Report

The purpose of the report is to provide a revised Early Termination and Retirement policy for approval. The policy has been amended to include a clause permitting the Council to issue invitations for voluntary redundancy.

2. Recommendation(s)

2.1 That Council approves the revised Early Termination and Retirement Policy

3. Summary (inc. brief overview of relevant background history)

The Draft General Fund Revenue Budget 2011-12 to 2013-14 Report, agreed at Cabinet on 25th November recommends that the Council amends its Early Termination and Retirement policy to accommodate voluntary redundancies, based upon viable business cases, and receives a report on the amended policy as soon as practically possible having followed due process.

Consultation has been undertaken with the recognised trade unions (UNISON, GMB and UCATT) on the proposed amendment. During consultation all recognised trade unions agreed that they would have no objection to employees being offered the opportunity to apply for voluntary redundancy recognising, however that appropriate safeguards would need to be in place to ensure that any decisions taken are based on business need and not on characteristics related to individual employees.

4. Key issues and Implications

At present the existing Early Termination and Retirement policy does not specifically allow for voluntary redundancy except in situations where a group of people employed in the same role is to be reduced. Amending the policy to allow for volunteers will potentially allow those that want to leave to do so, and reduce the need for compulsory redundancy, thus having a positive impact on morale. However, volunteers may not necessarily arise in the areas where reductions are required. Such a scheme is likely to be more attractive to personnel with higher levels of service and experience which may be costly to the organisation in terms of losing

experienced and qualified personnel. Any refusal or acceptance of a voluntary redundancy would need to be based on a sound overall business case looking specifically at the overall savings to be achieved corporately and the ongoing needs and viability of the service. Care will need to be taken to avoid unlawful discrimination on grounds of age. For example there has been recent case law where the Employment Appeal Tribunal held that an employer committed direct age discrimination against an employee when it made him redundant at the age of 49 in order to avoid paying an early retirement pension that he would be entitled to if he left employment when he was aged 50 or over.

5. Conclusions and Reason(s) for the Recommendation(s)

The amended Early Termination and Retirement policy has been amended to include a provision for voluntary redundancy subject to appropriate safeguards. This policy is now recommended for Council's approval.

6. Other Options Considered

None

7. Report Author Details

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SCHEDULE OF ADDITIONAL INFORMATION

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Section 1

Contribution to Council Priorities (i.e. CHASE, Corporate Plan)

This amended policy may contribute to helping the Council meet its current savings targets for 2011-12

Section 2

Contribution to Promoting Community Engagement

There are no direct implications for Community Engagement within this report

Section 3

Financial Implications

The provision of a voluntary redundancy option will have financial implications for the Council both from a direct cost basis (normal severance payments) and indirectly (additional severance costs/employment tribunal claims) if not correctly managed.

The redundancy option enables employees to receive both a redundancy payment in accordance with the Council's 70 week enhanced scheme together with early access to their pension (if over 55). In the latter case the employer is responsible for both Redundancy and Actuarial Strain (costs of granting a pension before retirement dates.).

The current flexible retirement scheme permits only access to pension and the resultant actuarial strain.

Redundancy costs and Actuarial strain if applicable would naturally arise from the Council's Delivering Change process whereby the Council's approved budget includes the relevant saving options or efficiency savings.

A clear business case will need to be in place to ensure that the savings outweigh the cost of the severance payment (redundancy/actuarial strain) and the pay back period is in accordance with the Redundancy Policy and the impact on service only reflects the saving option being considered.

No specific budgets exist within the 2010-11 or 2011-12 budget for the implications of a Voluntary Redundancy option however the Draft General Fund Revenue Budget 2010-11 to 2013-14, as considered by Cabinet at its meeting of 25 November 2010, did include outline severance costs based upon the overall level of saving required over the three year financial plan.

Formal approval of any voluntary redundancy will form part of the Budget considered by Council at its meeting of the 16 February 2011.

In considering a voluntary redundancy policy Council should note that it is not a standard part of the Early Termination and Retirement but a provision that is/may be enacted as part of the budget process.

The nature of such a process in future years may require the option to be introduced in advance of the annual budget process and in such instances further discussions will be held with the recognised trade unions concerning the scope of the scheme.

Section 4

Legal Implications

The main legal implications are referred to in the body of the report. It is important to ensure that decisions on whether to accept an application for voluntary redundancy or not are made on a rational business case and not on a basis which would discriminate on the grounds of any of the protected characteristics under the Equalities Act.

Section 5

Human Resource Implications

The Human Resource implications are contained within the main body of this report

Section 6

Section 17 (Crime Prevention)

There are no crime prevention implications arising from this report

Section 7

Human Rights Act Implications

There are no specific Human Rights Act implications

Section 8

Data Protection Act Implications

There are no specific Data Protection Act implications

Section 9

Risk Management Implications

The risks associated with this change in policy are outlined in the main body of this document and centre around a potential risk of discrimination on grounds of age. The risk can be mitigated by ensuring that any request for voluntary redundancy is carefully considered and that the outcome is determined by reference to the needs of the organisation and the service.

Section 10

Equality and Diversity Implications

All requests for voluntary redundancy must be determined based on the needs of the service and not on factors relating to the individual.

Section 11

List of Background Papers

Updated Early Termination and Retirement Policy

Section 12

Report History

Council Meeting	Date

Annexes to Report

Updated Early Termination and Retirement Policy – See in particular page 17

Policy Title: **Early Termination and Retirement Policy**

Date Issued:

Revision No: **November 2009**



Legislative Framework

1. **Employment Equality (Age) Regulations 2006** – are designed to ensure equality of opportunity and freedom from discrimination on the grounds of age – in relation to access to employment and training. The Regulations set out specific arrangements relating to the administration of retirement for older workers. The regulations also give people a statutory right to request to work beyond the national default retirement age and place a responsibility on employers to give consideration to such requests. The Regulations took effect from 1st October 2006.
2. **Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006** - Provides employers with the ability to award alternative discretionary payments upon early termination of employment on grounds of redundancy.
3. **Local government Pension Scheme** – sets out the details of the pension rules and rights applicable to local government employees that contribute to the pension scheme.
4. **Finance Act 2004** – alters taxation rules in relation to receipt of pension and, in particular opens the door for 'flexible retirement' whereby an individual can receive a pension and continue to work subject to changes to terms and conditions of employment.
5. **Age and the Workplace** – ACAS code of Practice on the implementation of the Employment Equality (Age) Regulations 2006. This describes the statutory retirement procedure.
6. **Equalities Act 2010** – Consolidates equality related provisions into one overarching Act to ensure that no unlawful discrimination occurs related to protected characteristics such as age, gender, race, religion etc.

Policy Statement

Cannock Chase Council is committed to providing more choice and flexibility to our employees who wish to ease into retirement or stay in work beyond retirement, making their transition from working life to retirement an enjoyable one. We recognise that in

order to become an excellent authority of choice we need to provide our employees with options and flexibility and value their diverse contributions. Offering our employees retirement choices has a part to play in this. By giving alternatives and support in the run up to retirement, our employees will feel more valued and therefore more motivated and committed to Cannock Chase Council. We will benefit by retaining valuable knowledge and skills, which can be transferred to others.

Cannock Chase Council will ensure that all employees are treated consistently and fairly without unlawful discrimination. In particular it will ensure that the implementation and ongoing application of the Employment Equality (Age) Regulations 2006 is consistent with the ACAS code of practice entitled 'Age and the Workplace'.

This policy sets out all of the circumstances where employment may be terminated early where the reason for termination is unrelated to disciplinary matters or the performance or capability of an individual. Consequently this policy specifically addresses:

- Normal retirement at age 65 and employee statutory rights
- Voluntary termination – any age
- Voluntary retirement - at age 60 or above
- Voluntary early retirement – Over 55 but under 60
- Ill health retirement
- Flexible retirement
- Redundancy
- Voluntary Redundancy
- Negotiated early termination of employment.

Guidance on How to Apply the Policy

Eligibility

This policy applies to all employees of Cannock Chase District Council but is of particular relevance to employees approaching the age of 65, those who are otherwise considering early retirement, those with serious long term health problems or those identified as being at risk of redundancy.

Provisions

1. Normal Retirement at Age 65

The Employment Equality (Age) Regulations 2006 set a default retirement age of 65. Subject to Cannock Chase Council following the correct procedure as set out later in this policy document all employees will be required to retire at the age of 65. (It should be noted, however, that employees have a right to **request** to remain at work beyond the age of 65 – see section 4).

Where, at any time, the Regulations are amended to set a revised default retirement age, or to remove the default retirement age, Cannock Chase Council will adopt the amended practice as set out in the revised regulations.

2. Normal Retirement Procedure

It should be noted that a retirement of a person, at the employer's instigation, is classed as a dismissal in law on the grounds of 'retirement' and requires an employer to follow a fair procedure. The fair procedure involves giving the employee a specified period of notice and giving consideration to any request to continue working beyond the age of 65.

At least 7 months before an employee's 65th birthday the Organisational Development Team will write to the employee to inform them that they will be required to retire on their birthday to give formal notice of their expected retirement. Details of the Council's pre-retirement seminars will also be included. (See appendices 1 and 4). NB: regardless of the amount of notice specified in a person's contract of employment the Regulations require a minimum of 6 months notice to be given where the grounds for terminating employment are 'retirement'. A copy of this policy will be included with the notice letter.

The retirement notice letter will also explain what an employee should do if they do **not** wish to retire on that date and will include a "Retirement Options" form for the employee to complete to inform the Council whether they wish to retire or to apply to stay on beyond the age of 65 (Appendix 3).

A memo (appendix 2) will be issued to the employee's manager to inform them of the impending retirement so that the relevant manager can begin to consider recruitment to the post once the existing post holder has retired. Note: Active steps

to recruit a replacement should not take place until within 3 months of the retirement date.

Appendix 6 contains a flowchart detailing the normal retirement process.

Where an employee contributes to the Local Government Pension Scheme the Staffordshire County Council Pensions Section will, as a matter of course, write to all employees approaching their 65th birthday with details of their projected pension entitlements.

3. Employee Decides to Retire at 65

If, after having been issued with notice an employee wishes to go ahead with their retirement they should complete the “Retirement Options Form” (appendix 3) and return this to the Organisational Development Team. The form also gives an opportunity for the employee to ask to attend a pre-retirement seminar should they so wish.

Organisational Development will acknowledge the employee’s intention to retire by issuing the letter contained in appendix 5 (with a copy to the relevant manager).

4. Employee Wishes to Stay on Beyond 65

Submitting a Request

There may be occasions where an employee does **not** wish to retire on their 65th birthday. Under these circumstances the employee has a statutory right to ask Cannock Chase Council whether they can stay on at work either:

- Indefinitely
- For a fixed period of time (e.g. 6 months, 1 year, 2 years etc)
- To a specific date in the future. The date must be specified.

The Council is under no specific obligation to agree to such requests but **is** required by law to consider them.

It should be noted that if a person is granted permission to remain in employment beyond the age of 65 employees in the pension scheme will continue to contribute to

the scheme and to accrue pension benefits until such time as they retire. However, pension benefits must be drawn before the 75th birthday.

Where an employee wishes to make a request to stay on they should either write a letter or complete the 'Retirement Options' form found in Appendix 3 and forward this to the Organisational Development Division for action. The request must specify which of the 3 options listed above is being sought.

Any request must be submitted by no later than 3 months before the expected retirement date. Where the appropriate 6 months notice has been given to the employee by Cannock Chase District any request, submitted by the employee within 3 months of the expected retirement date, will not be considered. If, for any reason, notice of retirement has not been issued to the employee at least 6 months before their expected retirement date the employee's right to submit a request will remain in force until the retirement date.

Considering a Request

Cannock Chase District Council will consider all requests to continue working beyond the age of 65 against specific criteria and will make a decision on whether to agree to the request or to reject the request. Once a decision has been made the employee will be informed in writing on the reasons for the decision. The process for dealing with such a request is described in the flow chart at appendix 7.

Once a request has been received the Organisational Development Team will issue a memo (appendix 8) and a copy of the request to the relevant manager to inform the manager that the request has been received.

The relevant manager should give consideration to whether they are minded to support the request or not under the circumstances taking into account the following criteria:

- Does the employee have valuable skills that are difficult to replace?
- Does the employee have valuable experience that could be transferred to other staff during the period in which the employee wishes to remain in employment?
- Will retaining this individual offset the potential cost of recruiting a replacement?

- Is there a legitimate reason for refusing the request? For example where a restructure is pending and posts are to be deleted, or where there is a change in work or legislative requirements that mean that the skills and knowledge of the employee are no longer required by the organisation.

NB: this list is not exhaustive.

In circumstances where the manager is minded to support the request the manager should submit a business case to Directors Management Team setting out the reasons why they support the request for continuation in work for the particular employee. The business case will be in the form of a statement (appendix 27), which will be forwarded to Organisational Development for incorporation into a standard DMT report.

The Organisational Development Team will arrange a meeting between the manager and the employee to discuss the request and will attend the meeting if requested to do so by the manager. Organisational Development will issue a written invitation to the employee to attend the meeting (see appendix 9). Note: the meeting will be held as soon as possible after receipt of the request. The employee has the right to be accompanied to this meeting by a Trade Union representative or a colleague. The representative may confer with the employee and may address the meeting but is not permitted to answer questions on behalf of the employee.

As an outcome of the discussion the manager will inform the individual or the decision in relation to their request to remain in work beyond their normal retirement age.

Following the meeting the manager must inform Organisational Development of the decision and Organisational Development will write to the employee to confirm the outcome – using the standard letter in appendix 10 and enclosing an appeal form (appendix 11).

Where the decision is taken to the effect that the employee can stay on indefinitely or until an agreed date/period less than 6 months their original retirement date no further action is required from Organisational Development.

Where the decision is taken to the effect that the employee can stay for a specified period or until a specific date (that is more than 6 months from their original retirement date) then the process of giving notice of retirement **must begin again** in relation to the new intended retirement date. Appendix 26 can be used to inform the relevant manager that an employee is approaching a revised retirement date.

Right of Appeal

The employee has a right of appeal against a manager's decision regarding a request to stay on beyond the age of 65 where they are dissatisfied with the decision.

Should the employee wish to appeal they should write to Organisational Development or complete the form in appendix 11 "Appeal Form" and forward this to Organisational Development within 5 working days of receipt of the letter detailing the manager's decision.

Organisational Development will arrange an appeal meeting between the employee and the Chief Executive within 10 working days of receipt of the appeal form. The Organisational Development team will write to the employee to inform them of the date of the meeting (appendix 12) and will also inform the employee's manager that an appeal has been received.

A senior member of the Organisational Development team will attend the meeting as advisor to the Chief Executive.

Having met with the employee the Chief Executive will give his/her decision in writing within 5 working days of the meeting (appendix 13). The Chief Executive's decision is final.

Capability, Sickness and Discipline

Managers should be careful to ensure that any reasons for refusing a request for working beyond retirement are **not** based on matters of sickness absence, capability or disciplinary issues. It should be noted that a person aged 65 could make a claim for unfair dismissal if dismissed under circumstances where a proper or more

appropriate procedure is not followed. Consequently, retirement should never be used as an excuse to terminate the employment of an individual where the underlying reason for refusing a request to stay on is related to capability or discipline or excessive sickness absence. It is preferable that such issues are addressed as and when they arise using the appropriate formal procedure contained in the disciplinary, capability or attendance management policies.

5. Voluntary Termination of Employment – Any Age

Any employee wishing to cease work voluntarily before normal retirement age may do so at any time by giving written notice of resignation, to their line manager, in accordance with the notice periods specified in their contract of employment. The relevant manager should forward a copy of the resignation letter to Organisational Development to calculate final pay.

It should be noted that additional early termination options are available to employees over the age of 55* who are in the pension scheme – and these are described in the following sections.

6. Voluntary Early Retirement - Aged 60 or Above

The pension scheme rules currently permit a person in the pension scheme to access their pension at the age of 60 and to receive their full pension benefits or reduced pension benefits depending on criteria defined within the Local Government Pension Scheme. A person may choose to retire at this age and does not require the Council's consent to do so. However, anyone considering this option is strongly advised to contact the Staffordshire County Council Pensions Department for advice on the potential impact on pension entitlement of accessing pension rights before the age of 65.

No discretionary awards will be payable under these circumstances and there is no financial liability to the Council.

A person wishing to retire at 60 or above should give their manager written notice of their intention to retire in accordance with the required notice period defined in their contract of employment (normally 1 or 3 months depending on the grade of their post occupied). The giving of such notice is a contractual obligation and must be

adhered to. This will ensure that the relevant manager has sufficient opportunity to arrange for recruitment of a replacement where appropriate.

On receipt of the notice letter the Manager will forward a copy to Organisational Development who will ensure that appropriate arrangements are made for receipt of pension entitlements upon retirement. The notice letter will be acknowledged by Organisational Development using the letter contained in appendix 14 and enclosing a copy of appendix 4 giving details of the Council's pre-retirement seminars. Anyone wishing to attend a pre-retirement seminar should contact the Training Officer for further information.

7. Voluntary Early Retirement – Over 55 and Under 60

Early retirement can also occur where a person in the pension scheme is between the age of 55* and 60 and there is some business reason why Cannock Chase Council is willing and able to permit the individual to cease their employment and access their pension benefits immediately.

Such voluntary early retirement allows a person to access their pension early and so results in payments from the pension scheme to the employee earlier than anticipated. These costs may be passed on to the Council in the form of actuarial strain. Consequently, permitting a person to access their pension benefits at the age of 55* can result in very significant costs to the Authority. In order to justify such costs there must be a clear and significant business benefit to the Council or permitting the drawing of pension benefits

*Where an employee was a member of the Local Government Pension Scheme on 31st March 2008 and retires before 31st March 2010 this provision applies to people between the age of 50 and 60.

An eligible employee may request voluntary early retirement at any time and any such request will be considered in light of operational requirements and business need - usually in circumstances where, for example, a restructure is contemplated or where the cessation of employment will otherwise contribute to improving the efficiency of the service. It should be stressed that Cannock Chase Council is under no obligation to agree to a request for voluntary early retirement.

Where such a request is approved the employee will receive access to their pension rights only with no other additional enhancement.

How to Apply for Voluntary Early Retirement

Where a person wishes to apply for voluntary early retirement they should either write to their Head of Service or complete the expression of interest form (appendix 15) and forward it to their Head of Service with a copy to Organisational Development.

Upon receipt of the expression of interest Organisational Development will undertake to obtain a pension quotation in respect of the proposed leaving date specified by the employee.

Upon receipt of the pension quotation the figures will be forwarded to the employee with a letter explaining how the employee can proceed (appendix 16) and an application form for voluntary early retirement (appendix 17). A copy of actuarial strain figures will be issued to the Head of Service for consideration.

If, having reviewed the pension quotation, the employee decides to make a formal request for voluntary early retirement (using appendix 17) they will forward the form to Organisational Development who will inform the Head of Service that a formal request has been received. Organisational Development will issue a letter to the employee acknowledging receipt of the request (appendix 18)

The Head of Service will consider the request (taking account of the cost of the proposed early retirement, the impact upon service delivery etc). Should the Head of Service decide to refuse the request they will inform Organisational Development of their decision and meet with the employee to inform the employee of their decision. Organisational Development will write to the employee to confirm that their request has been denied (appendix 19)

Should the Head of Service decide to support to the request they should submit the Business Case to the Head of Financial Management for approval to proceed to Cabinet stage. The Head of Service should then prepare a short report to Cabinet

setting out the appropriate business case in order to seek approval for any actuarial strain arising from the proposal. In accordance with Financial Regulations any such costs should be contained within the budget for that service area

When appropriate approval has been received the Head of Service should inform Organisational Development and meet with the employee to inform them that the request for voluntary early retirement has been approved.

Organisational Development will write to the employee confirming the employee's termination date (appendix 20) and including a copy of the most up to date Redundancy Payments Modification Order.

8. Ill Health Retirement

An employee, who is not in the pension scheme but has a significant health problem preventing them from continuing with paid employment, may be dismissed on grounds of incapacity in accordance with the procedure set out in the attendance management policy.

However, for an employee in the pension scheme, permission may be granted for the employee to receive their pension benefits before their normal retirement age because of significant ill health affecting their ongoing capacity to continue with paid employment.

There are a number of criteria that must be met before an employee will be considered for early access to pension benefits on the grounds of ill health:

- The individual must be experiencing a significant ill health problem (which will be subject to management activity as set out in the Attendance Management Policy) that means that they are permanently incapable of carrying out their duties.
- Redeployment to an alternative post within the employee's capabilities must have been explored but none has been available.
- Occupational Health must certify that there is no prospect of the individual taking up work in future, up to the age of 65.

An employee who has ceased employment with the Council could also apply for immediate payment of pension benefits on the grounds of ill health and, to qualify would require certification from Occupational Health as described above.

There are 3 tiers of ill health retirement based on the severity and expected duration of the condition.

Further information on ill health retirement and the process will be found in the “Local Government Pension Scheme Procedural Guide for Employers” booklet. In summary, however, where it is possible that an employee is a candidate for ill health retirement Organisational Development will seek advice and appropriate certification from the Occupational Health Service, then seek written agreement from the relevant Director to proceed with the ill health retirement. In order to seek agreement Organisational Development will prepare a short report to the relevant Director using the template in appendix 23. If the Director supports the ill health retirement Organisational Development will confirm this to the employee using the template letter in appendix 24.

9. Flexible Retirement

Background information

Flexible retirement is defined as a situation where a person may reduce either their working hours or their grade and access their pension benefits at the same time. The earliest date that a person may, under any circumstances access their pension is the age of 55* so, and consequently, flexible retirement is only available to employees over the age of 55*. It should be noted that the drawing of pension benefits at the age of 55* could result in a lower rate of pension than the individual would receive if they waited until they were 65. Employers have the discretion to waive this reduction but the employer has to bear the cost of this. It is the policy of Cannock Chase Council that it will not ordinarily waive the reduction in pension benefits.

Under the Local Government Pension Scheme regulations, a person will only be permitted to access their pension at the age of 55* **if they have the employers consent to do so**. The reason for this is that allowing a person to access their

pension early results in payments from the pension scheme to the employee earlier than anticipated. Any such costs that may arise in this way are passed on to the Council in the form of actuarial strain. Consequently, permitting a person to access their pension benefits at the age of 55* can result in very significant costs to the Authority. In order to justify such costs there must be a clear and significant business benefit to the Council or permitting the drawing of pension benefits and continuation of employment. The saving arising from the reduction in hours or grade should be sufficient to cover the cost of any actuarial strain arising from the early receipt of pension.

Any request for flexible retirement will be considered in light of operational requirements, cost and business need - usually in circumstances where, for example, a restructure is contemplated or where a reduction in working hours or salary will otherwise contribute to improving the efficiency of the service. It should be stressed that Cannock Chase Council is under no obligation to agree to a request for flexible retirement.

Note: Discretionary payments will **not** be awarded in cases of flexible retirement

*Where an employee was a member of the Local Government Pension Scheme on 31st March 2008 and retires before 31st March 2010 this provision applies to people from the age of 50

Flexible Retirement - The Rules

In order to qualify for flexible retirement the employee must be over the age of 55* and request a reduction either in

- Working hours or
- A reduction in grade.

Reduction in Working Hours

Where a person wishes to remain in their current post on reduced hours and draw their pension benefits they should complete and 'expression of interest form' in appendix 25 and forward this to their Head of Service with a copy to Organisational Development Team for consideration.

The Head of Service will consider the expression of interest in light of the Service Plan for the service and determine whether to request additional information, The employee being informed accordingly

Upon receipt of the “expression of interest” form the Organisational Development team will obtain a pension quotation from the Staffordshire County Council Pensions Department. As with any early access to pension benefits the Head of Service will have to satisfy themselves that the cost of the flexible retirement is carefully considered and that there is a sound business case for approving the request. For example:

- By giving consideration to the needs of the service and whether service delivery will be affected either positively or negatively
- By giving consideration to the cost implications i.e. will this result in cost savings or increased costs
- By determining whether the service will be able to function properly if flexible retirement were to be granted
- By determining whether by offering flexibility retirement, this will enable the service to retain valuable experience/knowledge which might otherwise be lost e.g. from an individual leaving or fully retiring
- By giving consideration to succession planning – whether flexible retirement would be beneficial in enabling a successor to be trained

Upon receipt of the pension quotation the figures will be forwarded to the employee with a letter explaining how the employee can proceed (appendix 16) and an application form for flexible retirement (appendix 17). A copy of actuarial strain figures (where applicable) will be issued to the Head of Service for consideration.

If, having reviewed the pension quotation, the employee decides to make a formal request for flexible retirement (using appendix 17) they will forward the form to Organisational Development who will inform the Head of Service that a formal request has been received. Organisational Development will issue a letter to the employee acknowledging receipt of the request (appendix 18)

The Head of Service will consider the request (taking account of the cost of the proposed flexible retirement, the impact upon service delivery etc). Should the Head

of Service decide to refuse the request they will inform Organisational Development of their decision and meet with the employee to inform the employee of their decision. Organisational Development will write to the employee to confirm that their request has been denied (appendix 19)

Should the Head of Service decide to support to the request, and there is actuarial strain involved, they should submit the Business Case to the Head of Financial Management for approval to proceed to Cabinet stage. The Head of Service should then prepare a short report to Cabinet setting out the appropriate business case in order to seek approval for any actuarial strain arising from the proposal. In accordance with Financial Regulations any such costs should be contained within the budget for that service area. Where there is no actuarial strain arising from the request there will be no need for a report to Cabinet.

Once approval has been secured the Organisational Development team will write to the employee confirming the employee's flexible retirement date.

Organisational Development will inform the pensions department that the employee will have a reduction in working hours and arrange for payment of pension benefits from the effective date of the change. An amendment to the employee's terms and conditions of employment will be issued to reflect the agreed changes and the agreed effective date.

Reduction in Grade

Under flexible retirement rules an employee may take a post on a lower grade and have access to their pension benefits – with the employers consent. It should be noted, however, that early access to pension results in actuarial strain – the costs of which will need to be met by the relevant department. In view of this it is envisioned that the most likely scenario in which this type of flexible retirement could be considered is where the request can be accommodated within a departmental restructure situation where sufficient efficiency savings can be made to cover the resulting costs.

An employee who wishes to reduce their grade and receive immediate payment of pension benefits should complete the expression of interest form in appendix 15.

Again, following broadly the procedure above an estimate of pension benefits will be obtained and issued to the employee with a copy of the actuarial cost information to the employee's Head of Service. The Head of Service will consider whether the request can be accommodated – giving consideration to where costs could be met from, what efficiencies might be gained from allowing the person to take a lower graded post within the structure and whether there will be an overall improvement in the section as a result. There will be no automatic right for an employee to be transferred to a lower graded post or otherwise be given preferential treatment in respect of any vacancy. The cost of any actuarial strain is subject to approval by Cabinet where applicable and will be met by the employee's current department.

10. Redundancy

Definition of Redundancy

Redundancy occurs when work of a particular kind ceases or diminishes. This can occur in circumstances where:

- Legislative or other circumstantial changes occur which mean that certain tasks or obligations are no longer required
- A particular site or function closes
- A restructure occurs which distributes tasks or duties in a more efficient way
- A policy option is submitted for consideration by Council as part of the annual budget setting process – which may result in the deletion of posts.

Where an individual in the pension scheme is over the age of 55* and is being made redundant they will gain immediate access to pension benefits. The Council will incur an actuarial strain in these circumstances for which budgetary provision will need to be made.

There must always be a sound and compelling business reason for the deletion of any post and this must be documented. Redundancy should not be used as a means of terminating an employee due to capability, sickness or disciplinary issues as there are more appropriate procedures for dealing with these situations.

NB: comprehensive guidance on redundancies is contained in the Redundancy Policy.

Voluntary Redundancy

There may be circumstances in which the Council determines that offering employees the option of applying for voluntary redundancy may be expedient as a means of avoiding compulsory redundancies. This is most likely to occur as part of the annual budget setting process. Should it be decided that a voluntary redundancy option will be made available to employees an invitation will be issued at the appropriate time for expressions of interest. Under these circumstances all employee requests will be considered on their individual merits taking account of operational requirements and business need - for example where the redundancy or associated restructure will contribute to improving the efficiency of the service. **It should be noted that there is no obligation on the part of the Council to agree to any request for voluntary redundancy.**

The payment terms for voluntary redundancy will be the same as those for compulsory redundancy situations. Any voluntary redundancy that attracts actuarial strain must be approved by Cabinet or as part of the annual budget report.

Except in situations where volunteers are explicitly invited voluntary redundancy will **only** be considered in circumstances where there are one or more jobs of the same type to be deleted – either as part of a restructure or as part of the annual budget setting process. For example – where there are 10 “XXX assistant” posts reducing to “8 XXX assistant” posts. In these circumstances it may be more desirable to seek a willing volunteer than to make someone redundant who does not want to be. If, however, there are no volunteers under these circumstances then, in accordance with the redundancy policy, there will be a selection process.

Statutory Redundancy Payments

The Employment Rights Act 1996 (ERA) sets a statutory limit on the rate of pay that can be used for the calculation of redundancy payments. However, under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, Local Authorities have a discretion to calculate redundancy based upon an employee’s own rate of pay instead of the rate set out in ERA. This discretion has been adopted by Cannock Chase Council and will be applied to all cases of redundancy.

The total amount of redundancy pay due is based upon a table which uses a calculation based upon age and length of service to determine how many weeks redundancy pay is due. The statutory redundancy calculator is found in appendix 21.

Statutory redundancy will be payable to any employee whose employment is terminated on grounds of redundancy except in cases where an employee finds alternative employment with the Council (or with an employer listed on the redundancy payments modifications order) or refuses, without good cause, an offer of suitable alternative employment.

Discretionary Compensation for Redundancy

Local Authorities have, within the terms of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, the ability to award additional compensation for redundancy to employees facing redundancy.

Cannock Chase Council has decided to adopt a compensation for redundancy scheme as described below. The Council's scheme of enhanced redundancy payments is based on making a larger payment to individuals at the time they leave the Council's service, but without any enhancements to pension. The scheme applies to any employee to be made redundant who is in the Local Government Pension Scheme and has at least 3 years continuous service with Cannock Chase Council.

The payment is calculated in the same way as statutory redundancy payments, based on actual salary, but the resulting payment is multiplied by a factor of 3 subject to a maximum equating to no more than 70 weeks salary for the individual, inclusive of statutory redundancy pay. The discretionary compensation calculator is found in appendix 26.

At the option of the employee, the whole amount of additional compensation for redundancy payment (in excess of the basic statutory redundancy value) can be

used to purchase additional years membership in the Local Government Pension Scheme in order for the employee to enhance their pension entitlement.

In a redundancy situation, where discretionary compensation for redundancy is payable, the Staffordshire County Council pensions department will forward each qualifying employee details of how the additional amount can be used to purchase additional pension if required. The employee must make a decision on whether to use the discretionary compensation value to purchase additional pension **before** leaving the Authority's service.

Amended Compensation Provision

In exceptional circumstances Cabinet, on consideration of a report from the Chief Executive may enhance the scheme by use of a higher multiplier or by the awarding additional years membership in the Local Government Pension Scheme to an employee about to be made redundant up to a maximum of 6 2/3 years based on the table in appendix 22. Augmentation is an expensive option – so will only be awarded in exceptional circumstances where it is in the best interest of the Council to do so as justified by a Business Case. The employee must be in the pension scheme and have at least 3 years continuous service with Cannock Chase Council. The cost of award of augmented service and actuarial strain must be approved by Cabinet and in accordance with Financial Regulations will need to be contained within existing resources

Approval Process for Redundancies

Where a redundancy is proposed as part of the annual budget setting process (e.g. as a policy option) and the redundancy is clear as part of that process there is no need for further referral to Cabinet to approve the actuarial strain.

Any redundancies proposed outside of the annual budget setting process, which incur actuarial strain, must be referred to Cabinet for approval of the actuarial strain costs.

Training Provisions

Where an employee is subject to a compulsory redundancy opportunities for training in interview skills and CV writing will be made available in order to assist the affected employee with obtaining suitable alternative employment.

11. Negotiated Early Termination of Employment

There may be (very rare) occasions where it is in the best interests of the Council to achieve the termination of an individual's employment through a negotiated settlement – where both parties are agreed that a satisfactory outcome cannot be achieved by other means.

Any contemplation of such an agreement must be considered in consultation with the HR Manager and with advice from the Legal and Democratic Services Manager and must be supported by the relevant Director. Final approval must be secured from Cabinet, subject to the costs being contained within existing budget provision. Any such agreement can be negotiated up to the maximum value that the employee could receive under other provisions such as early release of pension and/or redundancy.

Care will need to be taken to ensure that any agreement does not open up the Council to any accusations of discriminatory practice. Care will need to be taken to ensure that any employee contemplating such an agreement is suitably advised in respect of seeking independent legal advice.

12. Pre-Retirement Seminars

For anyone approaching retirement the Council provides a pre-retirement training course. Anyone wishing to take advantage of this should contact the Training Officer for further information.

Other Considerations

None

Accountabilities

- **Employees:** Employees are responsible for ensuring that they adhere to the application process described in this policy should they wish to continue to work beyond the age of 65 or be considered for flexible retirement

- **Managers:** Managers are responsible for ensuring that employees approaching retirement, early retirement or redundancy or considering flexible retirement are aware of their rights and responsibilities as detailed in this policy document.
- **Organisational Development:** are responsible for ensuring that appropriate notice is issued to employees approaching their 65th birthday in line with the procedures outlined in this policy. In addition Organisational Development are responsible for the administration of the processes described in this document
- **Other:** None

Frequently Asked Questions

Q. What happens if a redundant employee does not meet the qualifying criteria of being a member of the local government pension scheme and having at least 3 years Cannock Chase service?

A. In this circumstance, they would be entitled only to the statutory redundancy payment calculated in accordance with the national formula, but based on actual salary. In accordance with these rules, employees with less than 2 years local government service would not be entitled to any payment.

Other Sources of Information

Trade Union

There are several trade unions working within Cannock Chase District Council who can assist with this policy. It is recommended that a trade union representative be contacted at the earliest stage so that appropriate advice, guidance and support can be offered to the employee.

Organisational Development Team

The Organisational Development team can provide supplementary information and assist with the application of this policy. It is recommended that an OD representative be contacted at the earliest stage so that appropriate advice, guidance and support can be offered to both the manager and employee.

Related Internal Policies

See also:

- Redeployment policy
- Redundancy policy
- Equal Opportunities policy
- Capability policy
- Attendance Management policy
- Local Government Pension Scheme 2008 Procedural Guide for Scheme Employers

External Sources

Further information concerning retirement and age discrimination can be found on the following websites:

www.berr.gov.uk

www.acas.org.uk

www.staffordshire.gov.uk

Please note that Cannock Chase District Council takes no responsibility or liability for any material produced by or contained in external sites or for any advice or services given by external organisations. It is the responsibility solely of each person to decide whether or not they use any such material, advice or service.

Standard Documents

- Appendix 1 – Letter giving notice of retirement
- Appendix 2 – Memo to manager – employee due to retire
- Appendix 3 – Retirement options form
- Appendix 4 – Pre-retirement seminar leaflet
- Appendix 5 – Acknowledgement of intention to retire
- Appendix 6 – Normal retirement - flow chart
- Appendix 7 – Request to work beyond 65 – flow chart
- Appendix 8 – Memo to manager – request to work beyond 65
- Appendix 9 – Invitation to a meeting

- Appendix 10 – letter to respond to an application to stay beyond 65
- Appendix 11 – Appeal form
- Appendix 12 – Invitation to Appeal meeting
- Appendix 13 – Appeal – application to work beyond 65 (CE’s decision)
- Appendix 14 – Acknowledgement of employee’s notice letter
- Appendix 15 – Expression of Interest – Early Retirement
- Appendix 16 – Letter to accompany pension estimates
- Appendix 17 – Application for Voluntary Redundancy/Early Retirement
- Appendix 18 – Letter acknowledging formal request
- Appendix 19 – Letter from HOS rejecting request
- Appendix 20 – Notice letter
- Appendix 21 – Redundancy calculator
- Appendix 22 – Ill health retirement – report to Director
- Appendix 23 – Ill health retirement notice letter
- Appendix 24 – Expression of interest - reduction in working hours
- Appendix 25 – Discretionary compensation calculator
- Appendix 26 – Employee retiring at revised date – memo to manager

This information can be made available in a range of formats and languages, including Braille and large print. If this would be useful to you or someone you know, please contact the HR Team.

**Please ask for:
Extension No:
E-mail:**

(Date)

PRIVATE AND CONFIDENTIAL

(Address)

Dear (Name),

Notice of Retirement

I am writing to inform you that your retirement date will be [insert date] and that you have a right to request not to be retired. If you want to submit such a request please use the form enclosed with this letter or, alternatively, write a letter setting out your request and specifying whether you want to remain at work for either:

- A specific period of time (e.g. 6 months, 12 months etc)
- Until a specific date (e.g. your next birthday or other significant date)
- For an indefinite period

Your request should be forwarded to the Organisational Development Team. Your Manager will careful consideration to any request you may make to work beyond this date and I will inform you of the decision in due course. If your request is denied the Council is not required by law to give a reason.

Your request not to be retired must be returned to [insert name] no later than three months before the date stated in paragraph 1. Failure to do so will mean that you lose your statutory right to have your request considered and you will be retired on the retirement date above.

If, on the other had you **do** wish to retire on (date) please complete the enclosed form to this effect and return it to (name).

A copy of the Retirement policy is enclosed for your reference but If you have any questions please contact me on the number given above.

Yours sincerely

(Name)
(Title)

**Memo to Manager
Employee Due to Retire**

To:
From: Organisational Development
Date:

I am writing to inform you that (name, post number and job title)is due to reach the age of 65 on and will retire on that date. However, under the Employment Equality (Age) Regulations 2006 your employee has a right to ask to stay on beyond the normal retirement age and, should they submit such a request, you will need to meet with them to discuss the matter and decide whether or not to agree to such a request.

In accordance with the Regulations notice of retirement has been issued to(name)..... on...(date).....

The employee has been informed of their right to request to work beyond their retirement date and has until ...(date)....., 3 months before their retirement date, to submit such a request should they choose to do so. I advise you that no action should be taken towards recruiting a replacement employee until after the date in this paragraph.

I will write to you again shortly after..... (date)....to update you on the situation.

Regards

.....

Retirement Options Form

Name		Pay Number	
Post Title		Post Number	
Department		Manager's name	
Date of birth		Date aged 65	

Please complete one of the options below to confirm your intentions in respect of your anticipated retirement date, then sign and date the form at the bottom and return it to the Organisational Development Team.

Option 1: To retire at the age of 65

I am due to retire on..... which is my 65th birthday. I intend to retire on this date.

I am/am not interested in attending a pre-retirement course*
(*delete as applicable)

Option 2: Application to Work Beyond 65

I am due to retire on..... which is my 65th birthday. I am formally requesting permission to remain at work beyond this date:

- For an indefinite period*
- Until a specific date.....(give the date)*
- For a specific period of time.....(give number of months or years)*

*Delete the statements that do not apply to you

I understand that Cannock Chase Council will give consideration to my request and that my manager will meet with me to discuss this before informing me of the outcome. I understand that the Council is under no obligation to agree to my request.

Signature.....Date.....

Pre-Retirement Seminar

For employees approaching retirement the Council provides access to a pre-retirement seminar, which covers the following topics:

- Planning for the future
- Information about the occupational pension scheme
- Looking for work or considering a career change
- State pension and other state benefits
- Health and well being in retirement
- Savings and investments

If you are intending to retire and would like to attend this seminar please contact Organisational Development or complete the relevant section of the Retirement Options form.

Please ask for:
Extension No:
E-mail:

(Date)

PRIVATE AND CONFIDENTIAL

(Address)

Dear (Name),

Intention to retire

I am in receipt of your completed "Retirement Options" form indicating that you intend to retire on which is your 65th birthday.

*I understand that you are interested in attending a pre-retirement seminar and will ask Jan Turner, Training Officer to organise this for you.

*I understand that you are not interested in attending a pre-retirement seminar.

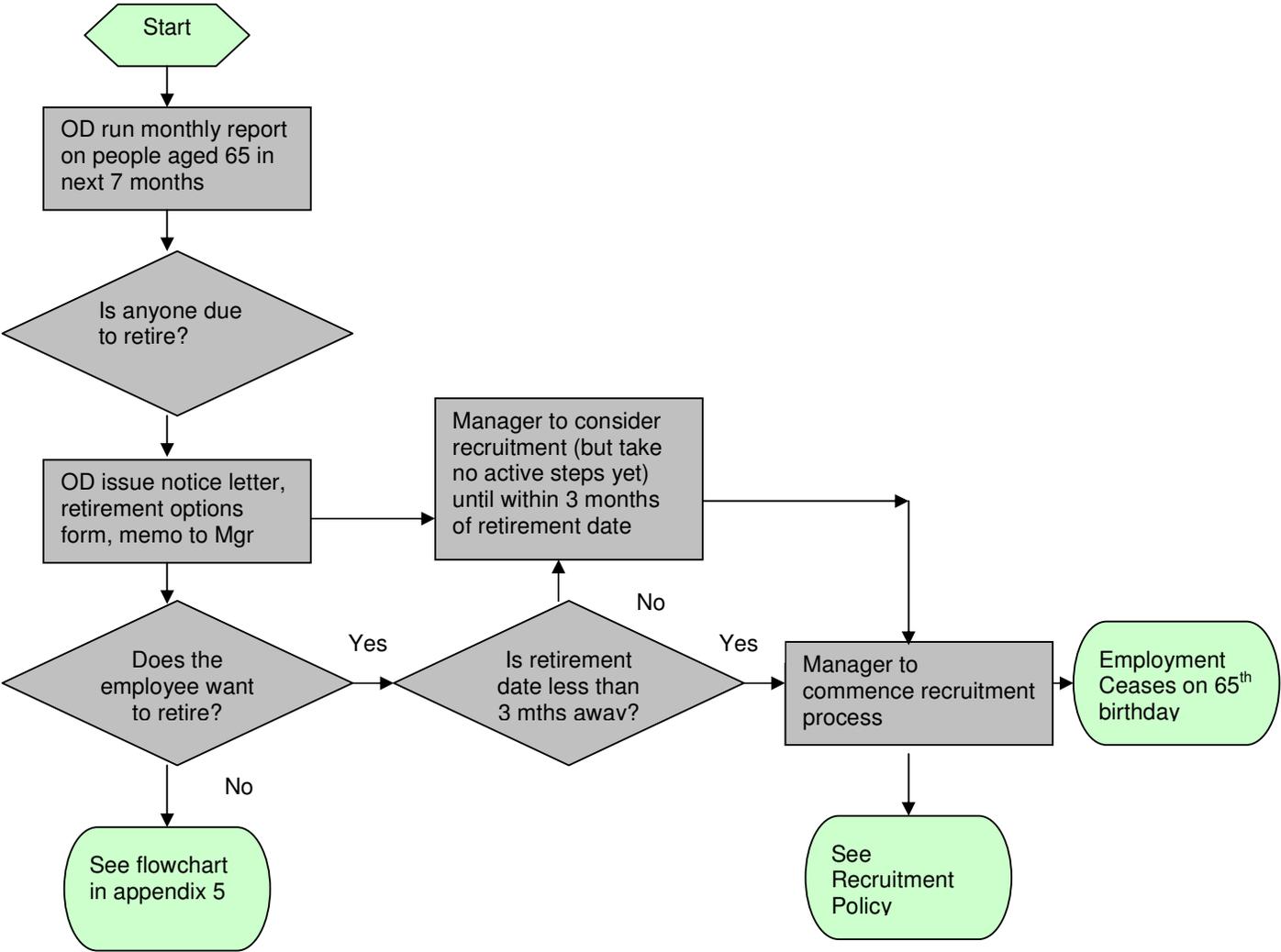
I should like to thank you for the service that you have given to Cannock Chase Council over the years and wish you a happy retirement.

Yours sincerely

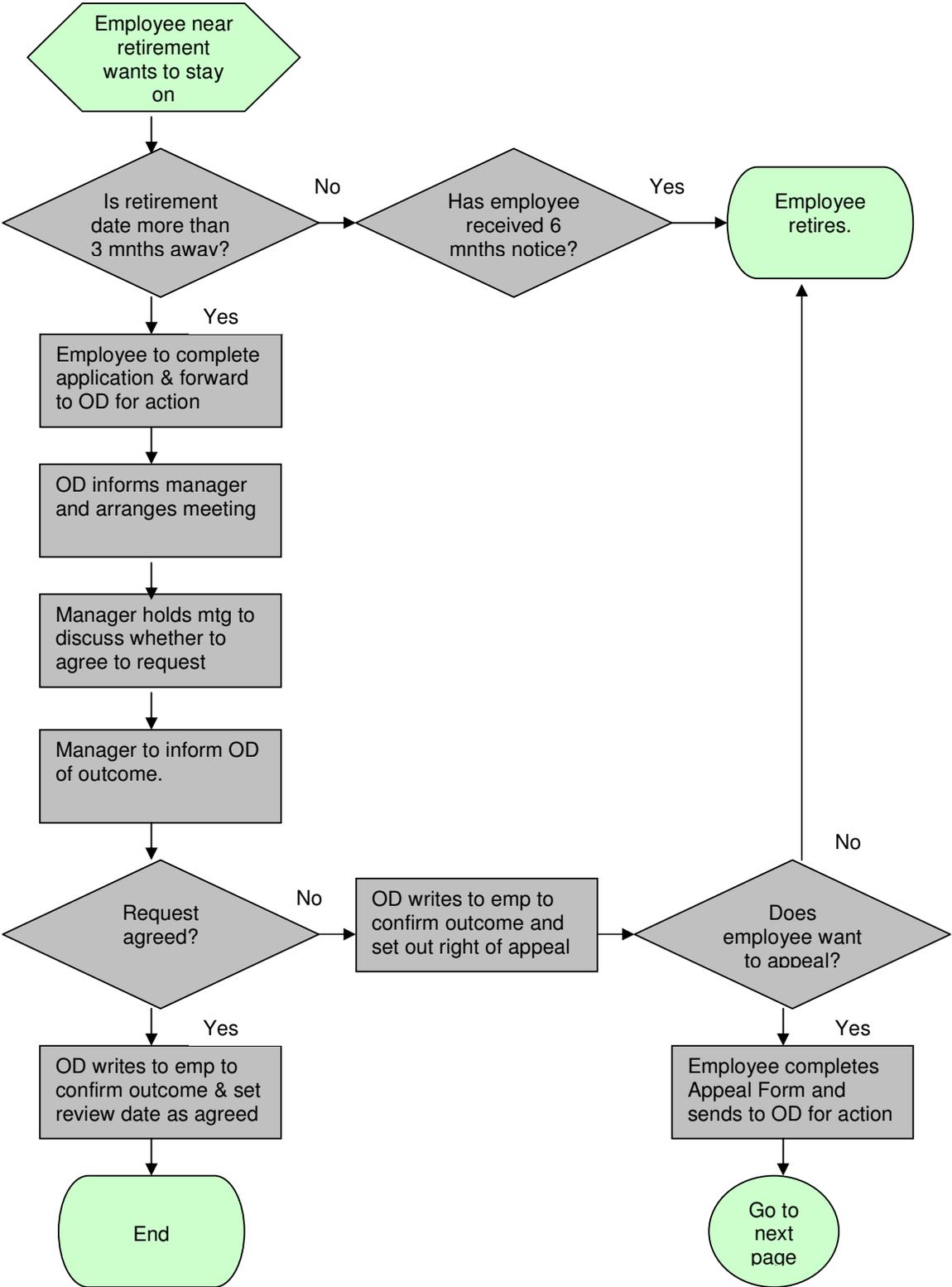
(Name)

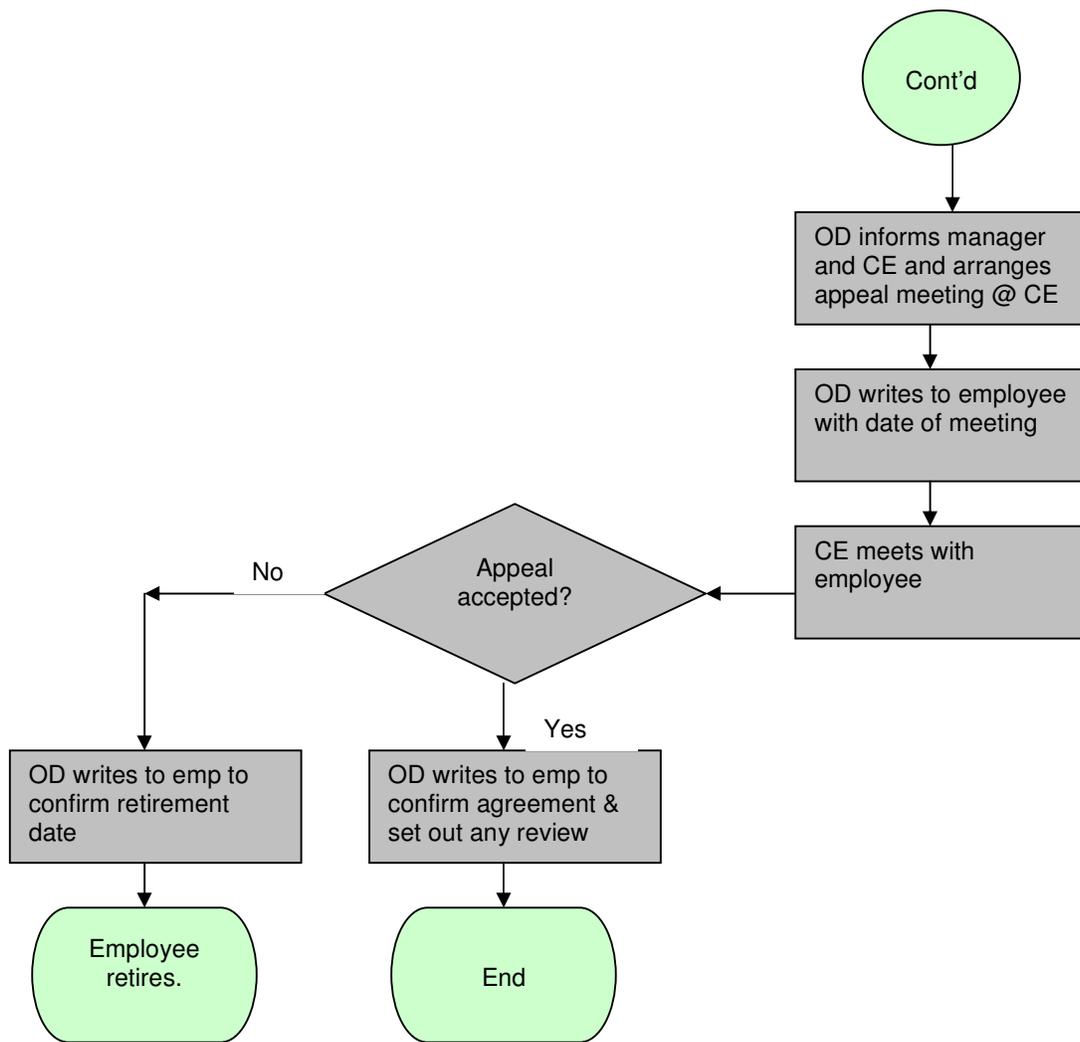
(Title)

Normal Retirement – Flow Chart



Request to Work Beyond 65 – Flow Chart





Memo to Manager
Request to Work Beyond 65

To:

From: Organisational Development

Date:

Under the Employment Equality (Age) Regulations 2006 an employee approaching retirement (aged 65) who does not want to retire has the right to ask for permission to remain at work and not retire on their 65th birthday. This right only applies if the employee submits such a request at least 3 months before their 65th birthday or where the employer has failed to give the employee notice of retirement at least 6 months before the 65th birthday – in which case an employee can submit a request at any time up to the 65th birthday.

Note: Cannock Chase District Council is under no obligation to approve such a request but **is** under a legal obligation to consider it.

I am writing to inform you that ...(name) ...who is employed as a ...(Post title).. is due to retire on (retirement date) but has submitted a request to remain in work beyond his/her* 65th birthday. A copy of the request is included with this memo.

The employee has/has not* submitted the request more than 3 months before their leaving date. Consequently:

- I will arrange a date for you to meet with (name) to discuss their request*
- No further action is necessary. (name) will retire on their birthday as planned*

*delete as necessary

Signed:..... Name.....

**Please ask for:
Extension No:
E-mail:**

(Date)

PRIVATE AND CONFIDENTIAL

(Address)

Dear (Name),

Application to Work Beyond 65

I am in receipt of your application to work beyond your 65th birthday, dated..... which I received on.....(date).....

In accordance with the Retirement Policy you are invited to meet with(Mgr name) to discuss your request. You are entitled to have a Trade Union representative or a colleague accompany you to this meeting.

The meeting has been arranged for ...(time) on(date) at ...(Location).

If, for any reason, this date and time is inconvenient for you please contact me as soon as possible in order to agree a more appropriate date.

Yours sincerely

(Name)
(Title)

**Please ask for:
Extension No:
E-mail:**

(Date)

PRIVATE AND CONFIDENTIAL

(Address)

Dear (Name),

Application to Work Beyond 65

Thank you for attending a meeting with (manager's name) on (date) to discuss your application to continue working beyond your 65th birthday (Date).

Having given due consideration to your request I confirm that:

- Your request has been approved*
- Your request has been rejected and I confirm that you will retire on (retirement date). I set out below the reasons for refusing your application.*
- Your request has been approved subject to the following amendment*

(set out any further detail or information as necessary...)

I remind you that you have a right to appeal against this decision if you are unhappy with it. To appeal please complete the enclosed Appeal Form and return it to Organisational Development within 5 working days of receipt of this letter outlining the grounds for your appeal. I confirm that you will remain in employment until such time as the appeal process is completed.

Yours sincerely

(Name)
(Title)

**Please ask for:
Extension No:
E-mail:**

(Date)

PRIVATE AND CONFIDENTIAL

(Address)

Dear (Name),

Appeal – Application to Work Beyond 65

I am in receipt of your appeal regarding your application to work beyond your 65th birthday, dated..... which I received on.....(date).....

In accordance with the Retirement Policy you are invited to meet with(Mgr name), Chief Executive to discuss your appeal. You are entitled to have a Trade Union representative or a colleague accompany you to this meeting.

The meeting has been arranged for ...(time) on(date) at ...(Location).

If, for any reason, this date and time is inconvenient for you please contact me as soon as possible in order to agree a more appropriate date.

Yours sincerely

(Name)
(Title)

**Please ask for:
Extension No:
E-mail:**

(Date)

PRIVATE AND CONFIDENTIAL

(Address)

Dear (Name),

Appeal Meeting – Application to Work Beyond 65

Thank you for attending an appeal meeting with (manager's name) on (date) in respect of your application to continue working beyond your 65th birthday (Date).

Having given due consideration to your request I confirm that:

- Your request has been approved*
- Your request has been rejected and I confirm that you will retire on (retirement date)*.
- Your request has been approved subject to the following amendment* (for example a different retirement date)

(set out any further detail or information as necessary...)

I remind you that this decision is final and there is no further right of appeal.

Yours sincerely

(Name)
(Title)

**Please ask for:
Extension No:
E-mail:**

(Date)

PRIVATE AND CONFIDENTIAL

(Address)

Dear (Name),

Notice of Retirement (Under 65)

I am in receipt of your letter dated (date) giving notice of your intention to retire on (date).

I enclose for your reference details of a pre-retirement seminar, which is available to anyone about to retire. If you are interested in attending please contact the Training Officer to arrange.

I should like to thank you for the service that you have given to Cannock Chase Council over the years and wish you a happy retirement.

Yours sincerely

(Name)

(Title)

Expression of Interest – Voluntary Early Retirement

Name		Pay Number	
Post Title		Post Number	
Department		Manager’s name	
Date of birth		Age	

I am interested in the possibility of voluntary early retirement

In order to help me to decide whether to formally request voluntary early retirement could you please supply me with an estimate of pension benefits against an indicative leaving date of....(specify date).....

Signature.....Date.....

**Please ask for:
Extension No:
E-mail:**

(Date)

PRIVATE AND CONFIDENTIAL

(Name)
(Address)

Dear (name)

Re: Request for figures for Voluntary Redundancy/Early Retirement/Flexible Retirement*

Further to your recent request for figures in respect of the above, please find attached your estimated figures. Please note that these figures are estimates and should therefore be treated as a guide only.

Could I also remind you that whilst the Council will fully consider any applications for early retirement the provision of pension estimate figures does not constitute a commitment by the Council that this request will be granted.

I have also enclosed the Voluntary Redundancy and/or Early Retirement/Flexible Retirement* Application form for you. In order to proceed further with your application, could I ask you to complete and return the Application form to (name and job title) as soon as possible but by no later than **(date)**.

If you have any queries, or require clarification of any of the information enclosed, please do not hesitate to contact (name and job title) on extension (number).

Yours sincerely,

(name)
(job Title)

Enc.

Cc. (Head of Service Name)

PRIVATE AND CONFIDENTIAL

CANNOCK CHASE COUNCIL

Application for Voluntary Redundancy/Early Retirement/Flexible Retirement*

From: (employee name)

To: HR Manager

Occupation:

Section:

Having received and considered my redundancy/superannuation benefits estimate supplied by Staffordshire County Council.

- (a) I wish my application for voluntary redundancy/early retirement to proceed*
- (b) I do not wish my application for voluntary redundancy/early retirement to proceed*
- (c) I wish my application for a flexible retirement (with a reduction in working hours) to proceed*
- (d) I do not wish my application for flexible retirement (with a reduction in working hours) to proceed*

*Delete as appropriate

Signed:

Date:

Please ask for:

Extension No:

E-mail:

(date)

PRIVATE AND CONFIDENTIAL

(name)

(address)

Dear (name)

Voluntary Early Retirement/Flexible Retirement*

I am writing to acknowledge receipt of your Application for Voluntary Early Retirement/Flexible Retirement* form received on (date). This has now been passed to your Head of Service, and I will contact you again shortly once this has been considered.

If you have any queries, or require clarification of any of the information enclosed, please do not hesitate to contact (name and title) on extension (nnnn).

Yours sincerely,

(name)

(title)

Cc. (Head of Service name)

Please ask for:
Extension No:
E-mail:

(Date)

PRIVATE AND CONFIDENTIAL

(Name)
(Address)

Dear (name)

Re: Request for Voluntary Redundancy/Early Retirement/Flexible Retirement*

I write in reference to your application to be considered for Voluntary Redundancy/Early Retirement/Flexible Retirement*.

I can confirm that unfortunately your Head of Service, (name and post title)/Cabinet*, has advised me that he/she/it is unable to agree to your application at this time. I understand this has already been communicated to you during your meeting with (name) on (date)

Whilst I understand that you may be disappointed by this decision, I would like to take this opportunity to remind you that this decision was taken because you are considered a valued and essential member of the (name) team.

*Delete if not applicable

Yours sincerely,

(name)
(Post title)

Cc. (Head of Service)

**Please ask for:
Extension No:
E-mail:**

(date)

PRIVATE AND CONFIDENTIAL

(name)
(address)

Dear (name)

Re: Voluntary Early Retirement

I refer to your agreement to be dismissed on the grounds of Early Retirement, in accordance with the Council’s present policy, which has been accepted by the Council. Consequently, I am writing to give you formal notice of termination of your employment as a (post title) in the (Directorate).

You are entitled to receive (nn) weeks notice of your termination, therefore, your effective termination date will be (date).

In accordance with existing Council policy and the requirements of any current national legislation, on leaving the Council’s employment, you will be entitled to Superannuation benefits (subject to verification by Staffordshire County Council).

I am aware that you have already been provided with estimated figures in respect of the above; however, if you have any questions regarding these figures please do not hesitate to contact me.

In order that the necessary arrangements can be made I should be pleased if you would confirm your acceptance of the foregoing by signing and returning that attached copy of this letter to me in the envelope provided.

Finally, on a more personal note, I wish you all the best for the future.

Yours sincerely,

(name)
(post title)

Signed

Date

Redundancy Calculator

Statutory redundancy pay table																			
Age	Service (Years)																		
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
17*	1																		
18	1	1½																	
19	1	1½	2																
20	1	1½	2	2½	-														
21	1	1½	2	2½	3	-													
22	1	1½	2	2½	3	3½	-												
23	1½	2	2½	3	3½	4	4½	-											
24	2	2½	3	3½	4	4½	5	5½	-										
25	2	3	3½	4	4½	5	5½	6	6½	-									
26	2	3	4	4½	5	5½	6	6½	7	7½	-								
27	2	3	4	5	5½	6	6½	7	7½	8	8½	-							
28	2	3	4	5	6	6½	7	7½	8	8½	9	9½	-						
29	2	3	4	5	6	7	7½	8	8½	9	9½	10	10½	-					
30	2	3	4	5	6	7	8	8½	9	9½	10	10½	11	11½	-				
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11½	12	12½	-			
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12½	13	13½	-		
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13½	14	14½	-	
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14½	15	15½	-
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15½	16	16½
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16½	17
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17½
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16½	17	17½	18
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17½	18	18½
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18½	19
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19½
42	2½	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
44	3	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½
45	3	4½	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
46	3	4½	6	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½
47	3	4½	6	7½	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
48	3	4½	6	7½	9	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½
49	3	4½	6	7½	9	10½	12	13	14	15	16	17	18	19	20	21	22	23	24
50	3	4½	6	7½	9	10½	12	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½
51	3	4½	6	7½	9	10½	12	13½	15	16	17	18	19	20	21	22	23	24	25
52	3	4½	6	7½	9	10½	12	13½	15	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½
53	3	4½	6	7½	9	10½	12	13½	15	16½	18	19	20	21	22	23	24	25	26
54	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	20½	21½	22½	23½	24½	25½	26½
55	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27
56	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½
57	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28

58	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½
59	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29
60	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½
61+	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30

RETIREMENT ON GROUNDS OF CAPABILITY

(PERMANENT ILL HEALTH)

(***) DIVISION**

(EMPLOYEE NAME)

Background

The purpose of this report is to seek approval for ill health retirement in respect of (Employee name).

(employee name) is employed as a (job title) in the (***) Division and has been employed by the Council since (CCDC service date).

This case was referred to Walsall Manor Hospital Occupational Health. (employee name) has been absent from work since (first date sick).

Specific questions were asked regarding (employee) present medical condition and its effects on his continued employment, namely:

1. What is the prognosis?
2. Is this prognosis permanent or temporary?
3. Could the condition be covered by the Disability Discrimination Act?
4. Is the employee's medical condition caused or made worse by work?
5. If recovery is anticipated, what is the likelihood of recurrence in the foreseeable future, what nature might this take and what impact may it have on attendance and performance? Are there any steps that the authority can take to reduce this risk?
6. What is the likely timescale for the employee to return to work/recover from their condition?
7. Is there any additional support that the authority could provide to the employee?
8. Are there any more permanent adjustments that could be made to the employee's job?
9. If the employee is permanently incapable of returning to their current job and can not perform any comparable job, should ill health retirement be pursued?

A copy of the Occupational Health Physician's report is attached. Occupational Health have certified that (employee) has no reasonable prospect of returning to gainful employment before the age of 65. On this basis, approval for ill health retirement is now being sought.

(HR representative name), (Manager name) and (Trade Union Representative name) met with (employee) on (date). The situation was fully explained to (employee) and he was advised of his right to obtain an alternative medical opinion if he so wished.

Financial Implications

The costs in this case are borne by the Council in relation to pay in lieu of notice and current holiday pay. The (nn) weeks pay in lieu of notice amounts to (£value). This will be met from the (XXX) Account – (cost code)

As a result of his absence through sickness, (employee) has been unable to take (nn) days holiday during his current leave year and the cost of this payment amounts to (£value). This will be met from the (XXX) Account – (cost code).

Conclusion

(Employee) is unable to fulfil his contractual duties and responsibilities due to his permanent ill health. (employee's) employment should be terminated on the ground of capability (permanent ill health), and be granted pay in lieu of notice. The HR Manager should be requested to make the necessary payments.

Recommendations

- 1 That (employee) is retired early on the grounds of permanent ill-health with effect from (date).
- 2 That payment in lieu of notice is paid from the (xxxx) Account – (cost code).

Signed _____ Dated _____
Mrs A. Bird
HR Manager

Signed _____ Dated _____
(Name)
Director of XXXX

Please ask for: (HR representative name)
Extension no: (extension)
E-mail: (e-mail)

(date)

PRIVATE AND CONFIDENTIAL

(Employee name)
 (Employee Address)

Dear (employee)

Retirement on the grounds of Capability [Permanent Ill Health]

I refer to your meeting with (HR representative name) and (Manager name and title), on (Date).

The purpose of this meeting was to advise you that in the opinion of the Occupational Health Physician, you are permanently medically unfit for the performance of your duties as a (post title).

I understand that the implications of the Occupational Health Physician's observations were fully explained to you, as was your right to appeal against any decisions to cease your employment on the ground of capability [permanent ill health], and of your right to obtain alternative medical opinion, if you so wished.

This matter was considered in accordance with the Council's procedures and it has been agreed that your employment should formally cease for reason of permanent ill health retirement as and from (date).

If you had been leaving under different circumstances, you would have been entitled to (nn) weeks notice. However, in view of the special circumstances now prevailing, the Council have agreed to pay you in lieu of notice. The amount payable is (£value). Mrs B Rigby Senior Payrolls Officer, will prepare the cheque and a breakdown of how this amount has been calculated for (date), ready for you or a representative to collect from the Civic Centre Offices.

You are also entitled to receive payment for your outstanding holiday entitlement of (nn) days. This is your pro rata entitlement for annual leave for the period (date) to (date). You will receive (£value) less statutory deductions by Bacs straight into your bank account on (date).

I have to advise you that if you are aggrieved by the Council's decision, you have the right to appeal, notice of which should be given in writing, within ten working days of receiving this letter.

You also have the right of appeal to an Employment Tribunal. Any such appeal must be lodged within three months of the effective date of retirement [date] or within such further period as a Tribunal considers reasonable in a case where it is satisfied that it was not reasonably practicable for the complaint to be presented within the period of three months.

I am sorry that your Local Government Service has ended in these circumstances. However, on a more personal note, I would like to thank you for your service to the Council and to extend my best wishes to you on behalf of the Council and your colleagues.

Yours sincerely,

A. Bird [Mrs]
HR Manager

Enc.

CANNOCK CHASE DISTRICT COUNCIL

(employee)

EFFECTIVE DATE OF RETIREMENT

(date)

**STATEMENT OF REASONS FOR RETIREMENT ON THE
GROUND OF CAPABILITY (PERMANENT ILL HEALTH)**

1. The Occupational Health Physician certifies that in his opinion you are incapable to discharging efficiently the duties of the post of (post title) by reason of capability (permanent ill health) and the Council have resolved to cease your contract of employment on that ground.
2. In arriving at this conclusion, the Occupational Health Physician had regard to the opinion of your own General Practitioner and/or Consultant.
3. Suitable alternative employment is not available for you with the Council.

Signed _____

Anne Bird (Mrs)
HR Manager

Dated this day of 2008

Signed _____

(employee)

Dated this day of 2008

Expression of Interest – Flexible Retirement

Name		Pay Number	
Post Title		Post Number	
Department		Manager’s name	
Date of birth		Age	

Please complete the section that applies to you.

Reducing Working Hours

I am interested in the possibility of flexible retirement by reducing my working hours and drawing my pension benefits.

My current working hours are.....per week and I am considering reducing my working hours to hours per week.*

Reducing my Grade

I am interested in the possibility of flexible retirement by reducing my grade and drawing my pension benefits.

My current grade is.....and I am considering applying for alternative posts at a lower grade.

In order to help me to decide whether to formally request flexible retirement with a reduction in working hours/reduction in grade* could you please supply me with an estimate of pension benefits in respect of a possible effective date of....(specify date).....

Signature.....Date.....

Discretionary Compensation Table

Age	Service (Years)																		
	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0
17*	1.0																		
18.0	1.0	4.5																	
19.0	1.0	4.5	6.0																
20.0	1.0	4.5	6.0	7.5	-														
21.0	1.0	4.5	6.0	7.5	9.0	-													
22.0	1.0	4.5	6.0	7.5	9.0	10.5	-												
23.0	1.5	6.0	7.5	9.0	10.5	12.0	13.5	-											
24.0	2.0	6.25	9.0	10.5	12.0	13.5	15.0	16.5	-										
25.0	2.0	9	10.4	12.0	13.5	15.0	16.5	18.0	19.5	-									
26.0	2.0	9	12.0	13.5	15.0	15.5	18.0	19.5	21.0	22.5	-								
27.0	2.0	9	12.0	15.0	16.5	18.0	19.5	21.0	22.5	24.0	24.0	-							
28.0	2.0	9	12.0	15.0	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	-						
29.0	2.0	9	12.0	15.0	18.0	21.0	22.5	24.0	25.5	27.0	28.5	30.0	31.5	-					
30.0	2.0	9	12.0	15.0	18.0	21.0	24.0	25.5	27.0	28.5	30.0	31.5	33.0	34.5	-				
31.0	2.0	9	12.0	15.0	18.0	21.0	24.0	27.0	28.5	30.0	31.5	33.0	34.5	36.0	37.5	-			
32.0	2.0	9	12.0	15.0	18.0	21.0	24.0	27.0	30.0	31.5	33.0	34.5	36.0	37.5	39.0	40.5	-		
33.0	2.0	9	12.0	15.0	18.0	21.0	24.0	27.0	30.0	33.0	34.5	36.0	37.5	39.0	40.5	42.0	43.5	-	
34.0	2.0	9	12.0	15.0	18.0	21.0	24.0	27.0	30.0	33.0	36.0	37.5	39.0	40.5	42.0	43.5	45.0	46.5	-
35.0	2.0	9	12.0	15.0	18.0	21.0	24.0	27.0	30.0	33.0	36.0	39.0	40.5	42.0	43.5	15.0	46.5	48.0	49.5
36.0	2.0	9	12.0	15.0	18.0	21.0	24.0	27.0	30.0	33.0	36.0	39.0	42.0	43.5	45.0	46.5	48.0	49.5	51.0
37.0	2.0	9	12.0	15.0	18.0	21.0	24.0	27.0	30.0	33.0	36.0	39.0	42.0	45.0	46.5	48.0	49.5	51.0	52.5
38.0	2.0	9	12.0	15.0	18.0	21.0	24.0	27.0	30.0	33.0	36.0	39.0	42.0	45.0	48.0	49.5	51.0	52.5	54.0
39.0	2.0	9	12.0	15.0	18.0	21.0	24.0	27.0	30.0	33.0	36.0	39.0	42.0	45.0	48.0	51.0	52.5	54.0	55.5
40.0	2.0	9	12.0	15.0	18.0	21.0	24.0	27.0	30.0	33.0	36.0	39.0	42.0	45.0	48.0	51.0	54.0	55.5	57.0
41.0	2.0	9	12.0	15.0	18.0	21.0	24.0	27.0	30.0	33.0	36.0	39.0	42.0	45.0	48.0	51.0	54.0	57.0	58.5
42.0	2.5	10.5	13.5	15.5	19.5	22.5	25.5	28.5	31.5	34.5	37.5	40.5	43.5	46.5	49.5	52.5	55.5	58.5	61.5
43.0	3.0	12	15.0	18.0	21.0	24.0	27.0	30.0	33.0	36.0	39.0	42.0	45.0	48.0	51.0	54.0	57.0	60.0	63.0
44.0	3.0	13.5	16.5	19.5	22.5	25.5	28.5	31.5	34.5	37.5	40.5	43.5	46.5	49.5	52.5	55.5	58.5	61.5	64.5
45.0	3.0	13.5	18.0	21.0	24.0	27.0	30.0	33.0	36.0	39.0	42.0	45.0	48.0	51.0	54.0	57.0	60.0	63.0	66.0
46.0	3.0	13.5	18.0	22.5	25.5	28.5	31.5	34.5	37.5	40.5	43.5	46.5	49.5	52.5	55.5	58.5	61.5	64.5	67.5
47.0	3.0	13.5	18.0	22.5	27.0	30.0	33.0	36.0	39.0	42.0	45.0	48.0	51.0	54.0	57.0	60.0	63.0	66.0	69.0
48.0	3.0	13.5	18.0	22.5	27.0	31.5	34.5	37.5	40.5	43.5	46.5	49.5	52.5	55.5	58.5	61.5	64.5	67.5	70.0
49.0	3.0	13.5	18.0	22.5	27.0	31.5	36.0	39.0	42.0	45.0	48.0	51.0	54.0	57.0	60.0	63.0	66.0	69.0	70.0
50.0	3.0	13.5	18.0	22.5	27.0	31.5	36.0	40.5	43.5	49.5	19.5	52.5	55.5	58.5	61.5	64.5	67.5	70.0	70.0
51.0	3.0	13.5	18.0	22.5	27.0	31.5	36.0	40.5	45.0	48.0	51.0	54.0	57.0	60.0	63.0	66.0	69.0	70.0	70.0
52.0	3.0	13.5	18.0	22.5	27.0	31.5	36.0	40.5	45.0	49.5	52.5	55.5	58.5	61.5	64.5	67.5	70.0	70.0	70.0
53.0	3.0	13.5	18.0	22.5	27.0	31.5	36.0	40.5	45.0	49.5	54.0	57.0	60.0	63.0	66.0	69.0	70.0	70.0	70.0
54.0	3.0	13.5	18.0	22.5	27.0	31.5	36.0	40.5	45.0	49.5	54.0	58.5	61.5	64.5	67.5	70.0	70.0	70.0	70.0
55.0	3.0	13.5	18.0	22.5	27.0	31.5	36.0	40.5	45.0	49.5	54.0	58.5	63.0	66.0	69.0	70.0	70.0	70.0	70.0
56.0	3.0	13.5	18.0	22.5	27.0	31.5	36.0	40.5	45.0	49.5	54.0	58.5	63.0	67.5	70.0	70.0	70.0	70.0	70.0
57.0	3.0	13.5	18.0	22.5	27.0	31.5	36.0	40.5	45.0	49.5	54.0	58.5	63.0	67.5	70.0	70.0	70.0	70.0	70.0
58.0	3.0	13.5	18.0	22.5	27.0	31.5	36.0	40.5	45.0	49.5	54.0	58.5	63.0	67.5	70.0	70.0	70.0	70.0	70.0
59.0	3.0	13.5	18.0	22.5	27.0	31.5	36.0	40.5	45.0	49.5	54.0	58.5	63.0	67.5	70.0	70.0	70.0	70.0	70.0
60.0	3.0	13.5	18.0	22.5	27.0	31.5	36.0	40.5	45.0	49.5	54.0	58.5	63.0	67.5	70.0	70.0	70.0	70.0	70.0
61+	3.0	13.5	18.0	22.5	27.0	31.5	36.0	40.5	45.0	49.5	54.0	58.5	63.0	67.5	70.0	70.0	70.0	70.0	70.0

Memo to Manager
Employee Due to Retire at Revised Date

To:

From: Organisational Development

Date:

I am writing to inform you that (name, post number and job title)
.....reached the age of 65 on An application to stay on beyond
the 65th birthday was received onand it was agreed that the employee
could remain in employment until when the situation would be reviewed.

However, under the Employment Equality (Age) Regulations 2006 your employee has a
right to ask to stay on beyond the normal retirement age and, should they submit such a
request, you will need to meet with them to discuss the matter and decide whether or
not to agree to such a request.

In accordance with the Regulations notice of retirement has been issued to
.....(name)..... on...(date).....

The employee has been informed of their right to request to work beyond their
retirement date and has until ...(date)....., 3 months before their retirement
date, to submit such a request should they choose to do so. I advise you that no action
should be taken towards recruiting a replacement employee until after the date in this
paragraph.

I will write to you again shortly after..... (date)....to update you on the situation.

Regards

REQUEST TO WORK BEYOND THE AGE OF 65 BUSINESS CASE TEMPLATE	
In circumstances where the manager is minded to support the request to work beyond the age of 65, the manager should submit a business case to Directors Management Team setting out the reasons why they support the request for continuation in work for the particular employee. The business case will be in the form of a statement, which will be forwarded to Organisational Development for incorporation into a standard Directors Management Team report.	
Name of Employee	
Post Number	
Post Title	
Division	
Section	
Reason for Request	This section should include the date of birth of the employee and their agreed retirement date or the agreed review date should they have already been extended beyond the age of 65. It should also include details of the request to work beyond the age of 65 – i.e. does the employee wish to continue working for an indefinite period, until a specific date (give the date) or for a specific period of time (give number of months or years).
Background information	<p>This section should include detailed information on the following points:</p> <p>Does the employee have valuable skills that are difficult to replace? You may wish to consider the local jobs market and discuss what is currently happening in the profession i.e. have there been any documented difficulties in recruiting to this profession? Is the Council offering a competitive salary etc?</p> <p>Does the employee have valuable experience that could be transferred to other staff during the period in which the employee wishes to remain in employment? Does the department have succession plans in place? If so, how will the transfer of knowledge happen and how long is this transfer likely to take?</p> <p>Will retaining this individual offset the potential cost of recruiting a replacement? Is there a potential cost saving of recruiting to this post and any particular difficulties that you anticipate in recruiting to the post. How much would it cost to recruit to the post? – (quote figures).</p> <p>Is there a legitimate reason for refusing the request? For example where a restructure is pending and posts are to be deleted, or as part of shared services or delivering change, or where there is a change in work or legislative requirements that mean that the skills and knowledge of the employee are no longer required by the organisation.</p>
Recommendation	This section should include the manager's recommendation in relation to the request to work beyond the age of 65.
Head of Service Authorisation	