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**ILL HEALTH RETIREMENT/RETIREMENT IN
THE INTERESTS OF EFFICIENCY/FLEXIBLE
RETIREMENT/VOLUNTARY REDUNDANCY
(POLICE STAFF)**

FORCE REFERENCE DOCUMENT

FRD Reference Number	R28
Quality Auditor	Human Resources
First Issued	20.1.04
Last Updated	6.4.10
Version	3

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POLICY

1. INTRODUCTION

- 1.1 Northern Constabulary is committed to, wherever possible, retaining the services of all staff and minimising turnover. Part of that principle is the opportunity for police staff, in certain circumstances, to take advantage of flexible retirement provisions. However, it is also recognised that in some circumstances it may be appropriate for staff to leave the organisation and when this occurs police staff who are members of the Local Government Pension Scheme ("LPGS") may be entitled to certain benefits.
- 1.2 Non-members of the LGPS should note that they are not entitled to the benefits as specified in this Force Reference Document. Redundancy payments may however be payable in accordance with Force Reference Document R29.
- 1.3 The provisions of the Local Government Pension Scheme (Scotland) Regulations 2008 set out criteria whereby staff can leave the Force other than by normal resignation or dismissal. These circumstances are: -
- (i) Ill health retirement
 - (ii) Retirement in the interests of efficiency of the service
 - (iii) Voluntary redundancy.

Where appropriate, steps will be taken by the Force to minimise the need for the above, and separate Force policies on the management of sickness absence, redeployment and redundancy all provide further clarification.

- 1.4 Police staff who leave the Force on ill health retirement will be eligible to receive ill health benefits at any age, provided they have at least two years' service. In the case of voluntary redundancy and retirement in the interests of efficiency, staff under 50 (under 55 for those who joined after 1 April 2009) will receive only a redundancy payment, with pension benefits preserved until at least 60.
- 1.5 The purpose of this policy is to set out the detailed procedure to be followed when a member of police staff is to retire on ill health, or retires in the interests of the efficiency of the service, applies for flexible retirement or leaves on grounds of redundancy.

2. ROLE OF NORTHERN JOINT POLICE BOARD ("NJPB")

- 2.1 As the employer of police staff, the NJPB has the final authorising function in regard to any termination of employment under these provisions.

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STANDARDS

1. INTRODUCTION

The following provisions relate only to police staff who are members of the Local Government Pension Scheme ("LGPS"). Non members of the LGPS should refer, where appropriate, to Force Reference Document R29 (Redundancy – Police Staff).

2. ILL-HEALTH RETIREMENT

2.1 A member of staff who is to be retired from the Force on the grounds of ill health will have this process managed in accordance with the provisions of Force Reference Document S2 (Management of Sickness Absence From Work).

2.2 If an employee has to leave work due to illness he/she may be able to receive immediate payment of benefits.

2.3 To qualify for ill-health benefits, the person has to have at least 2 years' membership in the pension scheme or have transferred-in other pension rights and the Force, based on an opinion from an independent specially qualified doctor, must be satisfied that the person will be permanently unable to do his/her own job.

2.4 Ill-health benefits can be paid at any age and are not reduced on account of early payment – in fact, benefits will be increased to make up for early retirement.

2.5 There are graded levels of benefit based on how likely the employee is of being capable of obtaining gainful employment after leaving. The different levels of benefit are:

- If there is no reasonable prospect of being capable of gainful employment before age 65, ill-health benefits in the new scheme are based on membership built up to the date of leaving plus all prospective membership from leaving to age 65. In other words, the pension will be based on the membership the employee would have had if he/she had stayed in the scheme until age 65.
- If there is a reasonable prospect of being capable of gainful employment before age 65, ill-health benefits in the new scheme are based on membership built up to leaving plus 25% of prospective membership from leaving to age 65.

Gainful employment means paid employment for not less than 30 hours in each week for a period of not less than 12 months.

2.6 For part-time employees, any extra membership awarded due to ill-health retirement will be reduced to reflect part-time hours at leaving.

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- 2.7 If the employee was in the LGPS before 1 April 2009 there is protection to ensure that the extra membership received is no less than under the Scheme as it applied before 1 April 2009.
- 2.8 The costs of ill-health retirement are borne by the pension fund. The only cost to Service Unit/Divisional Command budgets is the requirement to pay in lieu of notice and outstanding holiday entitlement, as it is highly unlikely due to the circumstances of the retirement, that staff will be able to work their notice. Outstanding holiday entitlement on termination is calculated with reference to the Police Staff Handbook.

3. FLEXIBLE RETIREMENT

- 3.1 The Flexible Retirement provision applies to all employees who have at least 2 years' service with the LGPS, and are aged 55 years or over.
- 3.2 There is no automatic right to have a request for flexible retirement granted. The Executive Advisory Group, in conjunction with the Divisional Commander/Service Unit Manager, will determine each request on its merits, carefully considering the benefits and impact (e.g. cost implications) for the service.
- 3.3 Flexible retirement allows an employee to receive pension benefits and to continue working provided the member of staff reduces his/her hours of work and/or grade which results in a lower salary. The employee can continue to pay pension contributions and therefore accrue further pension service/benefits for the reduced hours or in a lower graded post.
- 3.4 The employee will be responsible for the cost of any actuarial reduction to his/her pension benefits which will be drawn while continuing to work, either on reduced hours or in a lower graded post.
- 3.5 In the case of a reduction in hours on the same grade, the employee's contractual hours must reduce by at least 40%. This reduction is permanent and will remain in place for at least 12 months. A further reduction in hours can be requested after the 12 months, however hours can not be increased above the original 40% reduction.
- 3.6 In the case of an application for a lower graded post, that post must be at least 2 grades lower than the applicant's current post. This reduction in grade is permanent and will remain in place for at least 12 months. A further reduction in grade can be requested after 12 months; however the grade cannot be increased beyond the grade to which the person had originally reduced.
- 3.7 The employee may opt to request a job with fewer responsibilities on a lower grade; this request may also include a reduction in hours. If the request can not be accommodated within the employee's existing team or service, the employee should consider current vacancies, although he/she will not be given priority

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and will be required to make an application in accordance with the standard recruitment procedures.

- 3.8 An employee seeking flexible retirement must make a request by submitting a written application to his/her Divisional Commander/Service Unit Manager. A meeting will be held by the Divisional Commander/Service Unit Manager with the applicant within 28 calendar days of the date on which the application is submitted. If a meeting can not be held within 28 days, the employee will be notified as to the reason for the delay and an alternative suitable date will be agreed. The purpose of the meeting is to determine if the request can be supported in principle as costs associated with early release of benefits are charged to the Division/Service Unit. If the application can not be approved, the employee will be written to with the reason(s) which may include: burden of additional costs; detrimental impact on service delivery to meet customer needs; inability to re-organise work among staff; detrimental impact on quality of service and/or service performance.
- 3.9 The Divisional Commander/Service Unit Manager will forward the employee's flexible retirement application form to the Director of Human Resources and, where the application is supported, a copy will also be sent to the Pensions Section at Highland Council to obtain pension figures. The implementation date will normally be at least 3 months from the date the Pensions Section is notified of the request.
- 3.10 The Force will be given details of costs implications. Where net savings can be achieved and the Executive Advisory Group ("EAG") has approved the application, the employee will be given an estimate of pension benefits and any actuarial costs.
- 3.11 The employee is required to confirm in writing whether he/she wishes to proceed or not with his/her request. The employee may wish to seek advice from an independent financial adviser. It will be the employee's responsibility for arranging such independent financial advice. If confirmation is not received from the employee within 21 days following receipt of his/her pension benefits and any actuarial cost, the Force will have no obligation to progress the request.
- 3.12 An employee who wishes to appeal against a decision to refuse a flexible retirement request must do so in writing to the Director of Human Resources within 14 days of being notified of the EAG's decision. The Director of Human Resources will arrange for the appeal to be heard by the Appeals Sub Committee of the NJPB. An appeal can not be based on the actuarial cost incurred by the employee.
- 3.13 Human Resources will monitor the "take up" of flexible retirement requests and agreements to ensure there is consistency in the implementation of the policy. It will also be necessary to review the policy in line with any future employment and pension regulation changes.

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4. EARLY LEAVERS – BUSINESS EFFICIENCY AND REDUNDANCY

4.1 Where -

- a) an employee is dismissed by reason of redundancy; or
- b) the NJPB has decided that, on the grounds of business efficiency, it is in its interest that the employee should leave his/her employment; and
- c) in either case, the employee has attained the age of 55

the employee is entitled to payment of retirement pension without reduction.

4.2 In the case of a person who is a member on 31st March 2009, and to whom paragraph 4.1 applies before 31st March 2010, that paragraph applies as if "the age of 50" was substituted for "the age of 55".

4.3 In the case of a person who was a member of the 1998 Scheme on 5th April 2006, paragraph 4.1 applies as if "the age of 50" was substituted for "the age of 55".

4.4 The costs of early retirement on efficiency grounds can include a cost for the strain on the pension fund for early release of main scheme benefits and this would be borne by the relevant Service Unit/Divisional Command revenue budget. Pay in lieu of notice would not normally be applicable as the retirement is by mutual agreement.

4.5 It is essential that the costs of any enhancements are submitted to the NJPB, together with any savings resulting from the proposal. It will be the responsibility of the Service Unit Manager/Divisional Commander to prepare any business case, with assistance from the Directors of Finance and Human Resources, as appropriate.

5. RETIREMENT ON THE GROUNDS OF VOLUNTARY REDUNDANCY

5.1 Before a voluntary redundancy can take place, the Service Unit Manager/Divisional Commander has to confirm that the employee's post can be deleted from the establishment, or that there is a significant reduction in hours, or consequential saving. This is to ensure that there are savings which will more than offset the costs of the redundancy. This also extends to cover a situation where one employee can be granted voluntary severance in order to provide a position for another employee who would otherwise have been made redundant.

5.2 The costs of enhancements and redundancy pay are borne by the relevant Service Unit/Divisional Command revenue budget. There would also be a cost for the strain on the pension fund for early release of main scheme benefits.

5.3 Employees are entitled to contractual notice of termination of employment and it is normal practice that employees will work their notice, or waive any entitlement to notice, if they wish to finish at an earlier date. Pay in lieu of notice will only be authorised in exceptional cases.

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6. RE-EMPLOYMENT

- 6.1 Employees granted early retirement by the NJPB on the grounds of redundancy or efficiency will not be re-employed by the Force in any capacity without specific approval of the NJPB.
- 6.2 Any member of staff who is retired on the grounds of permanent ill-health cannot be re-employed without being medically examined and assessed by the Occupational Health Unit as being fit to be re-employed.

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