

The background of the slide features the coat of arms of the Government of Nunavut. It is a shield divided into four quadrants. The top-left quadrant shows a stylized building. The top-right quadrant shows a caribou head with large antlers. The bottom-left quadrant shows a sailing ship on wavy lines representing water. The bottom-right quadrant shows a bearded man's face. Above the shield is a crown with four maple leaves. Below the shield is a banner with the text "ANE FOR A'".

Agenda Item 5

**Referral from
Corporate Partnership Forum**

Falkirk Council

Title: Referral from Corporate Partnership Forum
Meeting: Executive
Date: 27 November 2018
Submitted By: Director of Corporate & Housing Services

1. Purpose of Report

- 1.1 The purpose of this report is to seek approval from the Executive Committee for policies and reports which were considered by the Corporate Partnership Forum on 24 October 2018.

2. Recommendations

- 2.1 The Executive is asked to
- approve the immediate implementation of changes to:
 - Adverse Weather policy;
 - Retirement (Teaching and Non-Teaching) Policy and
 - Local Government Pension Scheme – Employer Discretions.
 - note the costs and savings achieved from voluntary severance and ill health retiral arrangements for the period 2017/18.

3. Background

- 3.1 The Corporate Partnership Forum has considered a number of policies and reports and agreed to refer these to Executive for approval.

4. Considerations

Adverse Weather Policy

- 4.1 Adverse weather can impact on working conditions, especially where employees are required to travel at work. This policy is intended to assist managers in implementing a sensible and caring approach to individual employee circumstances whilst balancing this against the need to maintain the provision of services.
- 4.2 The Adverse Weather Policy has been revised and reformatted to make this easier to read and understand. A copy of the updated policy is attached. The Policy has been updated to include:
- Explanation of the potential impact of different weather warnings on Council operations;
 - Guidance in relation to school closures due to adverse weather and;
 - Additional guidance regarding communication during adverse weather.

Retirement Policy (Non Teaching and Teaching Employees)

- 4.3 The retirement policy provides advice and guidance to employees on options as they approach retirement.
- 4.4 These policies have been updated to take account of changes to the Local Government Pension Scheme and the Scottish Teachers Pension Scheme. Copies of the revised policies are attached.
- 4.5 Both policies have been simplified and reformatted to make it easier to use with clearer section headings and use of plain English, as well as using hyperlinks instead of appendices. Both policies provide clearer guidance on re-employment.
- 4.6 In line with changing regulations, additional information has been included in the policy for non teachers on the ability to retire from age 55 without employer consent.

Local Government Pension Scheme – Employer Discretions.

- 4.7 A new version of the LGPS has been introduced with effect from 1st June 2018 and applies to all existing active members on 1st June 2018 and to all new members joining thereafter.
- 4.8 Members may be aware that the Council was required to publish a discretions policy for the old scheme regulations which was approved in June 2015. A summary of the previous and the newly proposed discretionary policies is attached for Members' consideration.
- 4.9 The Regulations of the LGPS require all scheme employers to prepare and publish a written statement indicating how they intend to exercise their discretionary powers in each of the following areas:

From the LGPS (Scotland) Regulations 2018:

- i. Award of additional pension (regulation 30)
- ii. Funding of additional pension (regulations 16(2)(e) and 16(4)(d))
- iii. Flexible retirement (regulation 29(7))
- iv. Waiving of actuarial reduction (regulation 29(9))

From Paragraph 2(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014:

- v. rule of 85 Protection (para 1(1)(c))

- 4.10 In addition to the five areas where it is compulsory for employers to publicise their policy, there are other areas of the LGPS (Scotland) Regulations where, for operational purposes, it is necessary for employers to have a policy. These are as follows:

From the LGPS (Scotland) Regulations 2014:

Early payment of pension (Regulation 29(5) & (13)) - This applies to those who left the scheme before 1st June 2018 and have deferred rights under former regulations (i.e. not 2018). There is a gap in the new regulations which requires to be rectified by amendment regulations. The Scottish Government

has provided a letter of comfort to confirm that any inconsistencies and omissions in the 2018 regulations will be addressed with retrospective effect. If and when the regulations are amended to make the option to access benefits from age 55 an automatic right for former members then this discretion will cease to apply and will be removed.

From the LGPS (Scotland) Regulations 2018:

- Members' Contribution Rates (Regulation 9(4))
- Internal Disputes Resolution Procedure (Regulation 68(5)(c))
- Acceptance of Late Transfer Payments (Regulation 95(6))
- Extension of 30 Day Deadline for Shared Cost APCs (Regulation 16(16))

- 4.11 The proposed changes are explained in the attached discretions policy; however the main change to the scheme is that members aged 55 or over can take immediate payment of their benefit without requiring employer consent but with the benefits being actuarially reduced. One further change worth highlighting is in relation to the waiving of actuarial reduction. Previously we would consider releasing benefits early and waiving the reduction where there were exceptional compassionate circumstances. Now that all individuals have the right to take benefits at 55 and given that determining exceptional compassionate circumstances was a difficult and subjective assessment, the proposal is to simplify the regulation so that each member is treated on an equal basis.

Voluntary Severance and Ill Health Costs

- 4.12 In accordance with Audit Scotland's 2003 'Bye Now, Pay Later' report, the annual Severance report provides members with a summary of numbers, costs and savings attached to early retirements for employees in 2017/18.

Under the Local Government Pension Scheme regulations, 3 main options exist for early retirement:

- Efficiency
- Redundancy
- Ill Health.

Members are asked to refer to appendix 4 for severance report 2017/18.

5. Consultation

- 5.1 Services and Trade Unions have been consulted and comments considered and changes made where appropriate. The policies and reports have been discussed at the Corporate Partnership Forum at which time it was agreed to refer them to Executive.

6. Implications

Financial

- 6.1 There are no financial implications arising from the adverse weather and retirement (teaching and non-teaching employees) policies.

There aren't really financial implications as a result of this report.

The discretions policy seeks to ensure that the financial implications of exercising discretions are fully considered before any commitment is made.

Resources

- 6.2 There are no resource implications arising from the referrals.

Legal

- 6.3 There are no legal implications arising from the adverse weather, retirement (teaching and non-teaching employees) policies and voluntary severance report.

The changes to discretions are in line with Pension regulations.

Risk

- 6.4 There are no risks arising from the adverse weather, retirement (teaching and non-teaching employees) policies and severance report.

Implementing the discretions ensures that any decisions are taken in a consistent way.

Equalities

- 6.5 There are no equality issues arising from the referrals.

Sustainability/Environmental Impact

- 6.6 There are no sustainability or environmental implications from this report.

7. Conclusions

- 7.1 Executive Committee is asked to consider and implement the changes within the adverse weather and retirement policies immediately.

The changes to the Pensions Discretions reflect the changes in the new Pension Regulations and Committee is asked to agree these for immediate implementation.

Voluntary Severance applications are approved in line with Council Policy, with 28 cases accepted with a leaving date during 17/18.

Director of Corporate & Housing Services

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Date: 14 November 2018

APPENDICES

Appendix 1 - Adverse Weather Policy

Appendix 2 - Retirement (Non-Teaching & Teaching Employees) Policy

Appendix 3 - Local Government Pension Scheme 2018 – Summary of Employer
Discretions

Appendix 4 - Severance Report 2017/18

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- The Local Government Pension Scheme (Scotland) Regulations 2018

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During periods of adverse weather, Falkirk Council aims to continue to deliver services and keep offices open, where possible, to safely maintain and support the community and vulnerable individuals.

Employees have a responsibility to report for work. In the event of adverse weather, all employees are expected to make every effort to report for work, including attempting to travel by alternative means than those used in normal weather conditions.

Adverse weather can impact on working conditions, especially where employees are required to travel at work. In such circumstances, appropriate measures require to be implemented to manage any increased risk to employees.

Adverse Weather Policy

It is also recognised that there may be occasions where employees are prevented from attending their workplace or prevented from returning home as a consequence of the weather conditions.

This policy is intended to assist managers in implementing a sensible and caring approach to individual employee circumstances whilst balancing this against the need to maintain the provision of services.

This Policy applies to all Falkirk Council employees.

Adverse Weather: Definition

Adverse weather is defined as weather conditions which:

- have unusual consequences which affect working conditions;
- prevent staff getting to work, or
- cause significant problems for staff getting to and from work.

This can include snow, ice, fog, floods or high winds which render travel extremely hazardous. 'Extremely hazardous' is defined as conditions in which the Police and/or appropriate motoring organisations advise the public not to make unnecessary journeys or not to travel at all unless necessary.

Communication

The Meteorological Office co-ordinates and publishes a recognised Weather Alert System. These alerts are circulated to specific individuals within Falkirk Council. Alerts are then cascaded across the Council and placed on Inside Falkirk for general information. This information is also published on broadcast news and weather services. This must be maintained for the period of the weather warning.

Each Service must have a system in place to cascade relevant weather alerts across the Service. This must include early dissemination of the information to those managing and planning home/site visits or travel in such weather conditions.

To ensure that they are able to respond to changes in adverse weather, Service Managers must ensure that they regularly check their e-mails for updates to ensure the flow of communication to their employees. Managers must ensure that they have access to the appropriate IT equipment and team contact information to allow them to access e-mails and communicate with employees if required to work from home or an alternative workplace due to adverse weather.

Weather Alerts

Managers are expected to monitor and respond to different alert levels as follows:

Yellow warning - Yellow warnings can be issued for a range of weather situations. Many are issued when it is likely that the weather will cause some low level impacts, including some disruption to travel in a few places. Managers are required to monitor

Adverse Weather Policy

the latest forecast and be aware that the weather may change leading to disruption of plans in the following hours/days.

Amber Warning - There is an increased likelihood of impacts from severe weather, with the possibility of travel delays, road and rail closures, power cuts and the potential risk to life and property. Each Service must review working arrangements in light of deteriorating weather conditions. Alternative arrangements may require to be put in place for site / home visits to manage any increased risk to employees

Red Warning - Dangerous weather is expected. It is very likely that there will be a risk to life, with substantial disruption to travel, energy supplies and possibly widespread damage to property and infrastructure. In such circumstances, the Chief Executive (or Chief Executive's substitute in their absence) will close Council buildings for the period of the red warning with essential services only being provided in line with the Council's Business Continuity Plan. This will be communicated via the Council's website and employees will be directed to consult the Council website, social media and Central FM for further updates.

Deployment of Employees During Adverse Weather

Services have a responsibility to determine the priorities for delivery of the Service in line with the Business Continuity Plan in times of adverse weather. For example, non-emergency work may be placed on hold and resources allocated to assist with the clearing of roads and footpaths, or supporting and assisting vulnerable individuals within the community. Service Managers must be clear on what each team member's role is in times of adverse weather. An assessment on where individuals should be deployed should be based on the needs of the Service, the skills profile of each team member and the requirements on that particular day.

Where there are increased absence levels in critical areas, employees may be asked whether they are willing to work additional hours with compensation agreed, as appropriate, in line with the Council's conditions of service. Similarly, where additional employees are required to undertake standby duty above the normal standby rota requirements, then appropriate standby and call-out payments will be payable

Given the increasing demands for some services during periods of adverse weather, employees reporting for work may be asked to help out with other services particularly affected by the weather to ensure the delivery of essential services. Staff deployed to such other duties will be paid at the rate for their own job. In the event of snow, this may include assistance with snow clearing on a voluntary basis and employees should come to work appropriately dressed for the weather conditions.

Each Service area should identify an Adverse Weather Co-ordinator – this will normally be the team member who is on the Incident Response Team. This individual will be the contact point to assist with the deployment of staff on days of adverse weather. Service priorities may change dependent on the duration of the adverse weather.

Adverse Weather Policy

Risk Assessments

Services must ensure that Risk Assessments are in place to cover driving at work and that any change in weather alert status is identified in the control procedures.

Managers who are responsible for peripatetic workers or employees who are required to carry out site/ home visits/ travel shall ensure that there is a procedure to manage the weather alerts in the planning of such visits. Managers must ensure that necessary training is implemented to ensure a clear understanding of the process and risk assessment arrangements.

In terms of deployment, in assessing the risk to employees travelling during periods of extreme weather, where a decision is taken to withdraw visits or implement business continuity measures, all team members must be notified/ recalled to a safe location.

Managers shall ensure that employees are aware that if in the course of their visits/ travel they have concerns regarding deteriorating weather conditions they should contact their designated manager. In rapidly deteriorating conditions they should return to their office or a safe location and let their designated manager know their status.

Local conditions may not reflect the weather warning conditions therefore it is important to take account of known variables in weather e.g. high ground with potential for snow or areas that are known to have flooding issues. As these are variable conditions, Risk Assessments should be reviewed to reflect the conditions. The outcome of these assessments should be retained and be available to be viewed by employees. Relevant information should be passed on to all members of the team.

School Closures

Children's Services are expected to provide a service and keep schools/ nurseries open where possible. Where weather conditions deteriorate, Headteachers require to assess if the risks associated with keeping pupils in school are greater than they would be if pupils were sent home and the school closed. To assess this risk, it is important that Headteachers monitor local weather conditions with regard to road and pavement conditions or high winds. Advice should be taken, if possible, from the Team Manager and Property Team before taking any local decision to close a school. Each school should have a local school closure procedure, agreed in consultation with parents, to be implemented in such instances.

The Headteacher should notify the following as appropriate:

- Parents – by text via SEEMis
- E-Mail decision to schoolsclosures@falkirk.gov.uk who will notify the Council's Communications Team and Contact Centre
- The Property team, who will arrange for the Council's Senior Management Team and Elected Members to be notified
- Central FM
- Building, Catering and Cleaning Services
- Transport Planning Unit/ Bus and Taxi Operators
- Crossing Patrols and Pupil Transport Assistants

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- Any support services, tradespersons, suppliers or other planned visitors who may be due to visit the school.

The Director of Children's Services can, in extreme circumstances, agree a blanket closure of all schools / nurseries where it is considered that there is a risk to pupils arising from adverse weather conditions. Unless a red warning is in place and the Chief Executive has issued confirmation of business continuity measures being implemented, it is expected that schools will remain open to staff and employees should report to work as normal to their own workplace or the nearest Children's Services site.

Staff Attendance During Adverse Weather

Preparing for Adverse Weather Travel

Each individual is responsible for their own attendance at work. In adverse weather, all employees are expected to make every effort to report for work. This includes attempting to travel to work by other means or to make use of the Council's mobile and flexible working options where relevant to their role.

Where adverse weather is predicted, employees should make reasonable preparations including:

- Allowing for additional travel time;
- Planning alternative routes
- Arranging to stay overnight with family or friends locally
- Car sharing if this is safe and reasonable – Employee can access the Tripshare website (Transport - Car pooling | Falkirk Council). This website allows people to register and see who else in Falkirk Council is travelling from the same area.

Employees should assess whether it is safe and reasonable for them to travel to their own workplace. It isn't possible to specify what constitutes 'unreasonable' to travel as this will depend on circumstances. This may include where an employee is required to use a succession of public transport modes or where, if public transport is not available, the workplace is not within walking distance given the weather and road conditions.

If the nature of the employee's work allows them to work from home and it is considered appropriate for them to undertake this work rather than assisting with the delivery of essential services, employees should ensure that they take sufficient and appropriate work home in case they are prevented from attending work.

An information sheet for employees is available – [hyperlink to FAQ](#)

Unable to Report for Work

Where it is unsafe or unreasonable for an employee to travel to their normal workplace/an alternative work location or to homework, they must contact their line manager by telephone as early as possible on the day in question and on a daily

Adverse Weather Policy

basis if the weather conditions persist thereafter. They must advise their line manager of their non-attendance and the reasons preventing their travel. Employees should review their position as the day progresses and report for work if travel arrangements improve over the course of the working day.

Managers should satisfy themselves as to the legitimacy of the reasons for non-attendance. Such consideration could include;

- Making enquiries on the availability on public transport to/from the area and/or requesting information about road conditions from such sources as the Automobile Association/Royal Automobile Club;
- Monitoring any announcements made by Police Scotland about the condition of roads and their suitability for travel purposes;
- Whether employees who live in the same area have had success in attending their place of work; and
- Whether the employee has any special requirements which may impact on their ability to report for work and for which, reasonable adjustment is required.

Where satisfied that an employee's reasons for not attending their workplace are legitimate, the line manager should give consideration to:

- The nature of the work undertaken;
- Whether it is appropriate for the employee to work from home if they don't normally do so and if so, ensure that sufficient work can be allocated;
- Whether it is possible for the employee to report to a Falkirk Council building closer to home and to undertake some meaningful work;
- Whether alternative working patterns may be appropriate in the short term e.g. for the employee to work compressed hours over the course of the working week.

Where none of the above applies, the line manager should discuss and agree the use of annual leave, flexi leave or unpaid leave with any employee unable to report for work. Alternatively, where work is available, employees can work additional hours to make up lost time.

If adverse weather occurs towards the end of an annual leave year, employees may be permitted to use annual leave from the following year's entitlement and also excess flexi leave.

Homeworking

Where employees are able to home work, they must still contact their line manager by telephone as early as possible on any day that they are prevented from attending work.

Adverse Weather Policy

Employees must make contact on a daily basis if the weather conditions persist.

Reporting To An Alternative Workplace

In some cases, it may be appropriate for the employee to report to an alternate Falkirk Council workplace. In doing so, the manager must ensure that the relevant accommodation is available and meaningful work can be undertaken.

If this is the most appropriate option for employees, they must remember to take their Falkirk Council ID card. This must be discussed and agreed with the line manager in advance.

Where Weather Deteriorates During the Working Day/ Shift

Where weather deteriorates over the course of the working day, Managers have discretion to send employees home where there is clear evidence that individuals will encounter significant difficulty in reaching their home at reasonable times

The discretion exercised by Managers in this context means that some employees may be allowed home earlier than those who are unlikely to encounter difficulties. All such situations should be managed with care taking into account the circumstances of the individuals concerned.

Only in exceptional circumstances, where the Chief Executive authorises a complete closure of Falkirk Council buildings, will all employees be permitted to leave their workplace before normal finishing times. This means that, unless so authorised, sufficient people should be requested to remain in post to provide a skeleton service during normal working hours.

In the event that a school is closed to pupils, teachers will be expected to remain at work or work from home, carrying out work normally undertaken during non-class contact time.

Where an employee is required by their line manager to remain at work during the occurrence of adverse weather and is, as a consequence, unable to return home, appropriate arrangements will be made, where necessary, for overnight accommodation. This must be approved the relevant Chief Officer . As an alternative, arrangements may be made to take the individual home. All necessary expenses incurred by the individual employee in such circumstances will be reimbursed at a later stage in line with the Council's conditions of service relating to subsistence.

Caring for Dependents

Where offices are closed at short notice due to adverse weather or there are other increased demands placed on employees with carer's responsibilities for dependents, consideration should be given to carer's leave in line with the Council's Family Leave Policy. Carer's leave is intended to deal with emergency and unforeseen situations and to allow time to make alternative arrangements. Managers are required to assess each case individually, on each day that adverse weather continues, in line with the Family Leave Policy.

Carers should consider on-going weather forecasts and make advance arrangements where possible.

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Special Leave

Where a red weather warning is in place, the Chief Executive (or the Chief Executive's substitute in their absence) will authorise full closure of Council buildings and apply special leave provisions during the red weather warning period. Employees will be notified if this is the case. If this has not been communicated, it must be assumed that no special leave will be granted.

Where other weather warnings are in place, the Chief Executive may corporately approve that managers may grant special leave to any employee who has made a genuine effort to get to work but has been unable to do so due to weather conditions. In such circumstances, where weather conditions persist, this decision will be reviewed on a daily basis. Where considered appropriate, the Council may revert to requiring individuals to take annual leave, flexi leave or unpaid leave. This ensures fairness to employees who have made additional efforts to attend work in difficult conditions.

Failure to notify the relevant manager or supervisor of non-attendance within a reasonable period of time will prejudice an employee's right to request that "special" leave be granted.

Even where special leave applies, all employees are still expected to make efforts to attend work and, where this is not possible, homeworking and working from alternate locations should be considered.

During periods of adverse weather conditions and only where special leave has been corporately approved, it may be appropriate that normal starting and finishing times for the employees are, where appropriate, waived. In such circumstances, line managers will require to approve the appropriate method of crediting employees who, because of the weather conditions, have been unable to complete their normal work period e.g. crediting their flexi for the time taken additional to their normal day's journey to complete their journey to work (subject to the limit of their normal working day i.e. 7 or 7.4 hours). Where the Chief Executive authorises the early closure of Council buildings, employees should be credited for a normal finishing time e.g. credited until 5pm or normal finish time.

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Am I entitled to special leave if I am not able to get to work because of bad weather?

No. In adverse weather, all employees are expected to make every effort to report for work. This includes attempting to travel to work by other means or to make use of the Council's mobile and flexible working options where relevant to your role.

Where this is not possible, you must use annual leave, flexi leave or unpaid leave. Alternatively, where work is available, your line manager may agree that you can work additional hours at a later date to make up lost time. This is the case no matter what has prevented you from being able to attend work because of bad weather, e.g. no public transport, inability to walk due to excess snow.

Adverse Weather – Frequently Asked Questions

The only exception to this is where the Chief Executive has approved Special Leave on a Council Wide basis.

What are my options if I work in a school and can't use annual or flexi leave if I am unable to get to work?

Teachers and school based staff may report to their nearest Falkirk Council school if unable to report to their normal work location. If this is not possible, your Head Teacher may agree that you can work from home or plan additional work in the future which would allow you to make up the time. If none of this is possible, the only remaining option is to request unpaid leave.

Am I entitled to special leave if I have had to take days off work to look after my children as a result of school closures?

The Council, along with other authorities, will try to keep schools open. If the school closure was unforeseen, consideration may be given to carer's leave in line with the Council's Family Leave Policy. Carer's leave is intended to deal with emergency and unforeseen situations and to allow time to make alternative arrangements. Managers will be required to assess each case individually in line with the Family Leave Policy.

Can I work from home if I cannot get to work?

If this is normally an option for your job then this should be considered. Where this is not normally possible for your job, you must agree this with your line manager. Your line manager will determine whether the nature of your work allows for homeworking and whether there is sufficient work which can be allocated to allow you to work from home, either for part of or all of a day. If this is a possibility you should ensure that you take sufficient and appropriate work home with you in case you are prevented from attending work.

I am losing flexitime because it is taking me longer to get to work because of the bad weather and I have been leaving earlier. Should I not receive a standard day's credit since I have made an effort to attend work?

For employees on the Flexi-time scheme, actual attendance hours should be recorded. Managers can agree to allow employees to leave early if they are worried about transport home, but additional credited hours will not be given. If the Chief Executive has authorised a full closure and special leave is being applied then you will be credited for attendance until your normal finishing time.

Adverse Weather – Frequently Asked Questions

What if I am off sick or annual leave when the Chief Executive authorises a full closure of Council buildings?

In such circumstances, you will continue to be regarded as being on sick leave or annual leave as appropriate. If you are on sick leave, you should follow normal absence reporting procedures.

**Retirement Policy
(Non Teaching Employees)**

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Retirement Policy (Non Teaching Employees)

Falkirk Council is committed to recruiting and retaining high calibre employees to deliver its services. The Council's retirement policy assists employees approaching retirement age by explaining the options available and the associated processes.

The policy applies to all employees of the Council, except those covered by the Scottish Negotiating Committee for Teachers and other associated professionals conditions who have a separate policy.

Retirement Date

With the removal of the default retirement age (65yrs), there is no longer an automatic date on which you retire. There are, however, relevant dates that you should be aware of before making any decisions relating to your retirement.

State Pension Age (SPA)

The State Pension age is currently between 65 and 68. www.direct.gov.uk will determine when you will reach your State Pension age (SPA).

Local Government Pension Scheme (LGPS) Members

If you are a member of the LGPS, the normal pension age is your State Pension Age (SPA). There are, however, options to retire from age 55 with a reduced pension, to retire flexibly, or to accumulate membership rights in the scheme until age 75. Some of these options have specific criteria or need employer approval.

Retirement Options & Criteria

Non LGPS Member

If you are not in the LGPS pension scheme, you can choose to retire at any time. No pension benefits are payable by the Council.

LGPS Member - SPA

You can choose to retire on your SPA in which case unreduced LGPS pension benefits will be payable.

LGPS Member - Age 55+

You can choose to retire and draw your pension from the LGPS at any time from age 55 to 75, provided you have 2 years active membership in the pension scheme and were making pension contributions on or after 1 June 2018. If you choose to take your pension before your state pension age it will normally be reduced, as it's being paid out early (before normal retirement age) The extent of your reduction depends on how early you draw the benefits. The reduction is based on the length of time (in years and days) between the date your benefits are paid and the normal retirement age for that part of your scheme membership (not all of your membership will necessarily have the same normal retirement age) The general rule is that the earlier you retire, the greater the reduction.

This option does not require any approval from Falkirk Council.

You can find out more information at <http://www.falkirkpensionfund.org/client-area/news/new-age-55-retirement-option/> or speak to the Pensions Section.

Retirement Policy (Non Teaching Employees)

Opting Out

If you opt out of the scheme, your retirement benefits cannot be paid out until your leave the employment which has given rise to your benefits.

Continue to work

As there is no default retirement age, you can continue to work in your current post while you are able to perform the duties of your post to the required standards.

If you take your LGPS pension later than your normal retirement age, it's increased because it's being paid later. You can choose to take your pension before you are 75 but if you choose not to, your pension will be automatically paid when you reach 75. Further guidance on the release of retirement benefits can be obtained by contacting Pensions.

If you wish to apply to reduce your hours without accessing any pension benefits, or if you are not a member of the LGPS, reference should be made to the Flexible Working Policy.

Flexible Retirement

The flexible retirement rules of LGPS mean that, in certain circumstances, it is possible for you to receive some or all of your retirement benefits and to continue working with Falkirk Council. The conditions that need to be satisfied are:

- You must be aged 55 or over
- you must have taken a reduction in hours or grade sufficient to meet the needs of the LGPS
- the Council agrees to the revised working arrangements

Any flexible retirement request will only be approved in cases where you are not financially "better off" as a result of retiring.

If your flexible retirement application is approved, you will stay in the scheme and build up a new set of pension rights in respect of your ongoing employment unless you elect otherwise. Any additional benefits built up will be payable when you subsequently retire. If you take your LGPS pension later than your SPA it's increased because it's being paid later.

How to Tell Us You Are Retiring

Non LGPS Member

If you decide to retire and are not a member of the LGPS, you should complete the [retirement notification form](#) indicating your wish to resign by reason of retirement. Your manager will then complete a termination form through HR Forms Online and submit this to Payroll. You will also receive a letter confirming receipt of your resignation notification, advising of dates and outstanding issues including annual leave entitlement and/or salary sacrifice commitments.

Retirement Policy (Non Teaching Employees)

Member of LGPS – Early & Normal Retirement or retirement post SPA

If you are a member of the LGPS and wish to retire voluntarily at or after age 55, you should complete the relevant section of the [retirement notification form](#) and submit this to your manager. Your manager will submit a Termination form to Payroll through HR Forms Online and e-mail pensions@falkirk.gov.uk to confirm the last day of your contractual service. To help the process, you may wish to email or phone the Pensions team (pensions@falkirk.gov.uk or 01324 506329) to confirm your date of retirement once this is known. Pensions will then contact you to arrange the payment of benefits, although it should be noted that such benefits cannot be calculated and paid until the Pensions Section have details of both your leaving date and final pensionable pay.

The normal notice periods for any resignation are applicable. Payment of pension benefits is expected to be made within 4 weeks of the Pensions Section receiving the relevant forms.

Continue working

No notification is required if you decide to continue to work beyond your SPA.

Member of LGPS – Flexible Retirement

Members of LGPS considering flexible retirement should seek advice from the Pensions team, complete the [flexible retirement application form](#) and send it to the HR Helpdesk. The application should be submitted 3-6 months before the date on you wish the amended working arrangements to start to allow time for the application to be assessed.

Within the flexible retirement application, you should state whether you wish to continue in employment indefinitely or until a specified end date. If you apply to continue indefinitely you can still retire by resigning at any time.

Your service will have to consider whether the change in working arrangements and any costs associated with the early payment of LGPS benefits can be accommodated. Pensions will provide Services with pension costs. Costs will be provided via HR Forms Online.

Services will assess whether any application to reduce hours is reasonable and not merely a reduction to allow scheme benefits to be released.

The Chief Finance Officer, in conjunction with the Head of Human Resources & Business Transformation and the employing Service, will consider all relevant factors including costs, savings and changes to your contract of employment, and only where it can be demonstrated to be in the interests of the Council will your flexible retirement be approved.

Managers should refer to the [guidance](#) on Inside Falkirk for more information on the process.

The pension scheme flexible retirement provisions are separate from the Severance Policy. All Voluntary Severance requests should be dealt with under the terms of that policy.

Retirement Policy (Non Teaching Employees)

There is no automatic right to flexible retirement.

You will be informed in writing of the outcome 28 days before the requested start date of your new working pattern. You have the right to appeal this decision through the grievance appeal process and reference is made to this within the letter explaining the decision.

Before letting you know if your application is refused, managers will have contacted Human Resources to ensure that the test of objective justification is met before any discussion with you.

Recruitment Checks

If you apply for flexible retirement and remain in your own post on a part time basis, you will not require any medical checks unless there is a genuine occupational requirement and/or there are concerns about your ability to carry out the duties of the post. The checks will be carried out in line with our normal Occupational Health referral procedures.

Where Flexible Retirement means transferring to a different post, then the recruitment checks as per the Council's Recruitment and Selection policy will apply. Any queries concerning this should be directed to Human Resources.

You have a responsibility to raise any health concerns you may have to your manager to ensure advice/treatment is sought quickly.

Re-employment with Falkirk Council

Whilst flexible retirement will enable us to retain the skills and knowledge of experienced employees, if you have retired, and a cost has been incurred by Falkirk Council or Falkirk Community Trust, you cannot be re-employed by Falkirk Council or Falkirk Community Trust. This includes casual and consultancy work. In specific circumstances and to meet service requirements, Service Directors in consultation with the Head of Human Resources and Business Transformation may authorise a short term arrangement. This must be time limited, normally for a maximum of 3 months and only with permission from the Chief Executive can this be extended. This may not be repeated in the same calendar year and in general Service Directors should not re-engage the same ex employee regularly.

Roles and Responsibilities

Employee responsibility

You have a responsibility to ensure that you have the relevant information to assist you in making a decision about your retirement options. Information is available from www.direct.gov.uk, the intranet, your manager, Human Resources, Pensions <http://www.falkirkpensionfund.org/>, and Trade Unions. You may also wish to consider specialist independent financial advice although this may have a cost.

You are responsible for making sure that the correct notification/application form is completed and submitted in time. A late application could mean a delay in any agreement to flexible retirement. The normal notice periods for any resignation

Retirement Policy (Non Teaching Employees)

apply but you should be aware of the timescales required to release pension funds where applicable (approx 4 – 6 weeks).

Manager responsibility

On receipt of your retirement resignation, your manager will complete a termination form through HR Forms Online and submit this to Payroll. Your manager will write to you confirming relevant dates and other details such as annual leave entitlement and salary sacrifice details.

If you are a LGPS member, your manager will also send an e-mail confirming the last day of your contractual service (the date of retirement) to pensions@falkirk.gov.uk.

Managers will assess any flexible retirement requests you submit in line with the guidance and ensure requests are processed within the required timescales.

Retirement Policy (Teachers)

make it happen

council of the future

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Retirement Policy (Teachers)

The Council's retirement policy will assist teachers approaching retirement age by explaining the various options available and the associated processes.

The policy is applicable to all teaching employees of the Council covered by The Scottish Negotiating Committee for Teachers (SNCT) conditions. It may not be possible under this policy for all requests from teachers to be approved.

Individuals who are not in the Scottish Teachers Pension Scheme (STPS) and are in the Local Government Pension Scheme (LGPS) should refer to the Retirement Policy (non teaching).

Retirement Date

State Pension Age (SPA)

For all employees, the State Pension age is currently 65 although this is set to increase from 65 to 68 between 2024 and 2046.

With the removal of the default retirement age (65yrs), there is no longer an automatic date when you retire.

Pension Scheme

On 31 March 2015 the Scottish Teachers Superannuation Scheme (STSS) closed. From 1 April 2015 most members (excluding those protected subject to age) automatically joined the STPS.

In the STPS Scheme, Normal Pension Age (NPA) will be the same as your State Pension age. Your benefits will be worked out in a different way using pay throughout the length of your career and not just final pensionable pay. This is known as Career Average Re-evaluated Earnings.

If you have pension benefits under the STSS, these remain in the STSS and will be paid on retirement. Protection arrangements are in place for specific groups, subject to age and scheme membership. The SPPA will notify full/tapered protected members directly.

- If you have full protection, you remain in the STSS. If you are protected, subject to scheme membership, normal pensionable age is 60 or 65.
- If you have tapered protection, you will have been given a date from Scottish Public Pensions Agency (SPPA) when you are due to join the STPS scheme.

Further details on full and tapered protection can be found on <http://2015.sppa.gov.uk/scheme/teachers>

If you are not protected under age arrangements pension benefits earned before 1 April 2015 can be accessed at normal pension age. Where appropriate, pension benefits will be made up in two parts:

- the benefits earned in the STSS
- the benefits earned in the STPS on a Career Average Re-evaluated Earnings basis.

Retirement Policy (Teachers)

Benefits earned after 1 April 2015 will have to be taken with a reduction if they are taken early or deferred for access at a later date.

More information can be found at <http://2015.sppa.gov.uk/scheme/teachers>

The STPS is regulated and administered by the SPPA. You can join and make contributions up to the age of 75.

Retirement Options & Criteria

You should seek advice from the SPPA before making a decision on any retirement option.

Member of STPS – Phased Retirement and Actuarially Reduced Pensions (ARP) Scheme

Applying for phased retirement allows you to draw up to 75% of your total benefits whilst still working and building up more benefits in the scheme. You must be at least age 55 to apply and your pensionable pay must fall by at least 20% or more for a minimum of 12 months.

Your pension will be reduced to reflect early payment. You can apply for phased retirement on 2 separate occasions before applying for your final retirement benefits.

If you are between 55 and NPA you can request early retirement under the ARP scheme and take reduced benefits. Both the pension and the lump sum will be reduced using factors relating to your age at the retirement date.

If you are considering phased retirement or ARP you should submit an application using the [flexible retirement form](#) to your head teacher.

This should be submitted as early as possible to allow enough time for your head teacher to assess the application. It is recommended that you submit the application 3-6 months before the date you wish your amended working arrangements to start.

Although employer consent is required for the ARP scheme, consent cannot be withheld for more than 6 months from the date of application if you have qualified for benefits.

Member of STSS – Winding Down Scheme

The Winding Down Scheme is available if you have full protection. If you have tapered protection you must begin winding down before you join the STPS scheme.

Winding down is not available in the STPS. More information on winding down is available at www.sppa.gov.uk

Recruitment Checks

Medical checks will only be carried out where there is a genuine occupational requirement or there are concerns about your ability to carry out the duties of the post. The checks will be carried out in line with normal Occupational Health referral procedures. Where the retirement option means a transfer to a different post, then the recruitment checks as per the Council's Recruitment and Selection policy will apply. Any queries concerning this matter should be directed to Human Resources.

Retirement Policy (Teachers)

Risk assessments should be carried as per the normal process. In addition you also have a responsibility to raise any health concerns you may have to your head teacher.

How to Tell Us You Are Retiring

You must give your contractual notice period if you wish to retire.

Non STPS Member

If you decide to retire and are not a member of the STPS, you should complete the [retirement notification form](#) to confirm that you are retiring.

Member of STPS – Normal Retirement

If you are a member of the STPS and wish to retire at or after the normal retirement age applicable to the scheme, you should complete the relevant section of the [retirement notification form](#) and submit this to your head teacher. You should be aware that the SPPA require 4 months notice of retirement to release pension benefits and the process period for pensions is approximately 4 weeks from receipt of the completed forms by the SPPA.

Member of STPS – Normal Retirement

You can retire at any time after your minimum retirement age. This is currently age 55.

Your pension will be reduced for early payment if you take it before your normal pension age. Your normal pension age is the same as your state pension age.

Continue working

There is no default retirement age. You can continue to work in your current post while you are able to perform the duties of your post to the required standards. If you fail to meet these standards, this will be dealt with through the Council's Capability Procedure.

You do not need to apply to continue working.

You can delay retirement and continue contributing to the scheme and building up pension for each year of service. Pension will be revalued in accordance with scheme rules.

While there is no maximum period of service that you can build up, you will not be able to pay into the scheme or earn any further benefits beyond age 75.

Re-employment with Falkirk Council

Whilst retirement options will enable the Council to retain the skills and knowledge of experienced teachers, if you have retired early from the Council you will not normally be able to return to employment. The Council has a responsibility to create opportunities to enable newly qualified teachers to gain experience. This supports the Government's aim to refresh the profession.

Retirement Policy (Teachers)

If you take early retirement you will not be able to return to work for the Council when you have accepted an offer of early retirement and a cost has been incurred by the Council or you are in the process of winding down. Only where there is no cost associated with the retirement can you be accepted onto the supply list.

If you retire after reaching your normal pensionable age and you wish to continue teaching you must register on the supply list.

In specific circumstances and to meet service requirements, the Director of Children's Services, in consultation with the Head of Human Resources and Business Transformation, may authorise a short term arrangement for recruitment of a retired teacher for either supply or temporary work, however this must be time limited, normally for a maximum of 3 months and only with permission from the Chief Executive can this be extended. This may not be repeated in the same calendar year and in general the same ex employee should not be re-engaged regularly.

Responsibilities

Your responsibility

You have a responsibility to ensure that you have the relevant information to help you to make a decision about your retirement options. Information is available from a number of sources including www.direct.gov.uk, Inside Falkirk, your head teacher, Human Resources and The Scottish Public Pensions Agency www.sppa.gov.uk

You are responsible for completing the correct forms and submitting these in good time. Late applications could mean a delay in the release of your pension benefits. You are expected to communicate the outcome of your SPPA pension application to your head teacher.

Head teacher/ Staffing & Recruitment Team Responsibility

Normal retirement

Head teachers should pass on retirement forms to the Staffing & Recruitment team who will complete a termination form and submit this to Payroll. The Staffing & Recruitment team will write to you to confirm dates and other relevant details.

Phased Retirement, APR or the Winding Down Scheme (STSS only),

Your head teacher should arrange to meet with you to discuss your request in more detail along with any options available. You are entitled to representation at this meeting.

Your head teacher should consider your application and make a recommendation taking account of your circumstances and service provision within the school. The application will then be passed to your Service Manager for consideration in relation to the wider Service needs and legislative criteria. The Service Manager will consult with relevant officers to ensure that you meet the criteria for length of service and pension contributions.

Retirement Policy (Teachers)

Your head teacher should contact the Staffing & Recruitment team to complete a notification of change form through HR Forms Online and to issue the appropriate forms and letters. A new contract of employment, where applicable, will be issued to you in relation to the new working arrangements. Alternatively a contract amendment may be outlined in the successful application letter and this can be attached to your statement of particulars where the amendment is minor. The Staffing & Recruitment team will send you relevant SPPA paperwork.

It is the Staffing & Recruitment team's responsibility to record any agreed phased retirement arrangements under this policy in Resourcelink on the flexible working screens and to refer these to the head teacher to review these arrangements in good time, ensuring that there is appropriate communication and notification to both you and Payroll at the end of any agreed period.

Information on Non Approval/Deferment of Phased Retirement, ARP Scheme and Winding Down Scheme Applications

Service Managers have the right to refuse an application for the Phased Retirement, ARP Scheme or Winding Down Scheme for the reasons shown below:

- A genuine occupational requirement that you do not meet, such as not being able to carry out a task of the new job/arrangements required for the scheme
- A legitimate reason such as your health, safety and welfare or economic factors-such as where you wish to continue in employment on a different working pattern, which cannot be accommodated due to business reasons
- If you do not meet the criteria for entitlement for an option under the STPS regulations.

Phased Retirement can be refused on the following grounds:

- If you are not aged 55 or over
- If your pensionable pay is not reduced by at least 20% for a minimum of 12 months, for example by lowering your grade or reducing your hours accordingly

The Actuarially Reduced Pension (ARP) Scheme can be refused on the following grounds:

- You do not fall between the age of 55 to 59 for those with a NPA of 60 and 55-65 for those with a NPA of 65;
- The pension entitlement at the time of application does not meet the guaranteed minimum pension to which you would be entitled to at state retirement age.

The ARP scheme cannot be refused for more than 6 months from the date of application if you have qualified for release of benefits under this scheme.

The Winding Down Scheme can be refused on the following grounds:

Retirement Policy (Teachers)

- You are not aged 56 or over for those with a NPA of 60 or 61 or over for those with a NPA of 65
- You are not protected under STSS
- You do not have the relevant length of service
- For service delivery reasons
- Due to excessive costs which are unreasonable for the Service budget to accommodate.

It is advised that advice is sought from the Scottish Public Pensions Agency (SPPA) in relation to these options before any decision is taken.

The Service Manager should contact their HR Business Partner if considering refusing an application to ensure that the test of objective justification is met before any discussion takes place with you.

Falkirk Council

Title: Local Government Pension Scheme – Employer Discretions
Meeting: Executive
Date: 27 November 2018
Submitted By: Director of Corporate & Housing Services

1. Purpose of Report

- 1.1. This report seeks Committee approval for the adoption of certain discretionary policy statements which employers are required to put in place under the terms of the recently amended Local Government Pension Scheme (LGPS).

2. Recommendations

- 2.1. **Executive is asked to approve the Pensions Discretions for immediate implementation.**

3. Background

- 3.1 Falkirk Council administers the pension scheme arrangements covering employees of Falkirk Council, and the employees of Stirling and Clackmannanshire Councils, Falkirk Community Trust, the Scottish Environment Protection Agency, the Scottish Children's Reporter Administration and around 30 other smaller non-profit making organisations. There are currently around 15,000 active members and 10,000 pensioner members.
- 3.2 A new version of the LGPS has been introduced with effect from 1st June 2018 and applies to all existing active members on 1st June 2018 and to all new members joining thereafter.
- 3.3 The main change to the scheme is that members aged 55 or over can take immediate payment of their benefit without requiring employer consent but with the benefits being actuarially reduced.
- 3.4 In relation to the waiving of actuarial reduction, we previously said we would consider releasing benefits early and waiving the reduction where there were exceptional compassionate circumstances. Now that all individuals have the right to take benefits at 55 and given that determining exceptional compassionate circumstances was a difficult and subjective assessment, the proposal is to simplify the regulation so that each member is treated on an equal basis.

4. Consideration

- 4.1. Regulation 58 of the LGPS (Scotland) Regulations 2018 and paragraph 2(2) of Schedule 2 to the LGPS (Transitional Provisions and Savings)(Scotland) Regulations 2014 requires that all scheme employers prepare and publish a written statement indicating how they intend to exercise their discretionary powers in each of the following areas:

From the LGPS (Scotland) Regulations 2018:

- i. Award of additional pension (regulation 30)
- ii. Funding of additional pension (regulations 16(2)(e) and 16(4)(d))
- iii. Flexible retirement (regulation 29(7))
- iv. Waiving of actuarial reduction (regulation 29(9))

From Paragraph 2(2) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014:

- v. Rule of 85 Protection (para 1(1)(c))

- 4.2 In addition to the five areas where it is compulsory for employers to publicise their policy, there are other areas of the LGPS (Scotland) Regulations where, for operational purposes, it is necessary for employers to have a policy. These are as follows:

From the LGPS (Scotland) Regulations 2014:

- Early payment of pension (Regulation 29(5) & (13))
This applies to those who left the scheme before 1st June 2018 and have deferred rights under former regulations (ie not 2018). There is a gap in the new regulations which requires to be rectified by amendment regulations and the Scottish Government have provided a letter of comfort to confirm that any inconsistencies and omissions in the 2018 regulations will be addressed with retrospective effect. If and when the regulations are amended to make the option to access benefits from age 55 an automatic right for former members then this discretion will cease to apply and will be removed.

From the LGPS (Scotland) Regulations 2018:

- Members' Contribution Rates (Regulation 9(4))
- Internal Disputes Resolution Procedure (Regulation 68(5)(c))
- Acceptance of Late Transfer Payments (Regulation 95(6))
- Extension of 30 Day Deadline for Shared Cost APCs (Regulation 16(16))

- 4.3 Members may be aware that the Council was required to publish a similar discretions policy for the old scheme regulations which was approved in June 2015. A summary of the previous and the newly proposed discretionary policies is attached at Appendix 1 for Members' consideration.

5. Consultation

- 5.1 Trade Unions have been provided with a copy of the proposed discretions.

6. Implications

Financial

- 6.1 The policy statements seek to ensure that the financial implications of exercising discretions are fully considered before any commitment is made.

Resources

- 6.2 There are no additional resource implications arising from this report.

Legal

- 6.3 The changes to discretions are in line with Pension regulations.

Risk

- 6.4 Implementing the discretions ensures that any decisions are taken in a consistent way.

Equalities

- 6.5 An EPIA was not required for this report.

Sustainability/Environmental Impact

- 6.6 N/A

7. Conclusions

- 7.1 The changes to the Pensions Discretions reflect the changes in the new Pension Regulations.

Director of Corporate & Housing Services

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Date: 21 September 2018

Appendices

Local Government Pension Scheme 2018 Summary of Employer Discretions

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- The Local Government Pension Scheme (Scotland) Regulations 2018

LOCAL GOVERNMENT PENSION SCHEME 2018

SUMMARY OF EMPLOYER DISCRETIONS

COMPULSORY ITEMS:

Awarding Additional Pension : Regulation 30 LGPS (Scotland) Regulations 2018

Summary of Discretion:

Consider whether at full cost to the employer, to grant extra annual pension of up to £5,000 (figure at 1 April 2015 plus annual inflation linking as specified in scheme rules) to an active scheme member or within 6 months of leaving to a member whose employment was terminated on the grounds of redundancy or business efficiency.

Proposed Discretion:

Additional pension may be awarded up to a maximum of £5000 (figure at 1 April 2015 plus annual inflation linking as specified in scheme rules) to an active scheme member or within 6 months of leaving to a member whose employment was terminated on grounds of redundancy or business efficiency, however this limit must also include any additional pension contributions funded.

The Chief Finance Officer, Head of Human Resources & Business Transformation and employing Service will consider all relevant factors and only where it can be demonstrated to be in the interests of the Council will additional annual pension be granted. Additional pension will not be granted if the scheme member has been granted Compensatory Added Years.

Previous Policy:

The proposed policy under the 2018 regulations is the same as the policy under regulation 30 of the 2014 regulations, although annual inflation linking for the maximum amount has now been included.

Funding of Additional Pension : Regulations 16(2e) 16(4d) LGPS (Scotland) Regulations 2018

Summary of Discretion:

Consider whether, where an active scheme member wishes to purchase extra annual pension of up to £6,500 (figure at 1 April 2015 plus annual inflation linking as specified in scheme rules) by making Additional Pension Contributions (APCs), to voluntarily contribute towards the cost of purchasing that extra pension via a Shared Cost Additional Pension Contribution (SCAPC).

Proposed Discretion:

Where an active scheme member wishes to purchase extra annual pension of up to £6,500 (figure at 1 April 2015 plus annual inflation linking as specified in scheme rules) by making APCs, Falkirk Council will not contribute towards the cost of purchasing that extra pension via SCAPCs.

Previous Policy:

The proposed policy under the 2018 regulations is the same as the policy under regulations 16(2e) and 16(4d) of the 2014 regulations, although annual inflation linking for the maximum amount has now been included.

**Flexible Retirement :
Regulation 29(7) LGPS (Scotland) Regulations 2018**

Summary of Discretion:

Consider whether to permit flexible retirement for staff aged 55 or over who, with the agreement of the employer, reduce their working hours or grade.

Proposed Discretion:

The Chief Finance Officer, Head of Human Resources & Business Transformation and employing Service will consider all relevant factors including costs and changes to the employee's contract of employment, and only where it can be demonstrated to be in the best interests of the Council will benefits be released.

Any flexible retirement request will only be approved where there is no financial benefit to the employee from their continued employment with Falkirk Council in the new role/hours. Any application to reduce hours must be reasonable and not merely a token or cosmetic reduction to allow scheme benefits to be activated.

Where a flexible retirement request has been approved, the employee will be required to take all accrued benefits in relation to that employment. This does not apply to benefits for second/additional posts.

Previous Policy:

The proposed policy under the 2018 regulations is the same as the policy under regulation 29(6) of the 2014 regulations.

**Waiving of Actuarial Reduction :
Regulation 29(9) LGPS (Scotland) Regulations 2018**

Summary of Discretion:

Members after age 55 and before Normal Pension Age (including those released on flexible retirement grounds) can choose to access their benefits but may incur an early payment penalty (actuarial reduction). Consideration has to be given to the circumstances in which the early payment penalty would be waived and the costs borne by the employer.

Proposed Discretion:

Falkirk Council will not, as a matter of course, waive in whole or in part any reduction that would be applied under Regulations 29(6) or 29(7). The Chief Finance Officer, Head of Human Resources & Business Transformation and employing Service will consider all relevant factors and only where it can be demonstrated to be in the interests of the Council will a variation be made to the general policy.

Previous Discretion:

The proposed policy replaces the policy under regulation 29(8) of the 2014 regulations:

The Chief Finance Officer, Head of Human Resources & Customer First and employing Service will consider all relevant factors and only where it can be demonstrated to be in the interests of the Council or where exceptional compassionate circumstances exist will any early payment penalty be waived.

Rule of 85 Protection:**Para 1(1)(c) of Schedule 2 to the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014****Summary of Discretion:**

The above Regulation makes provision for scheme members **who joined LGPS (Scotland) before 1/12/2006** and **who retire before Normal Retirement Age** to be protected against the early payment penalties that would otherwise apply in such cases. This is commonly referred to as “Rule of 85” protection.

The protections already in place **for members who retire on or after age 60** are as follows:

- i) For members born before 1/4/1960 who have **met** the Rule of 85⁽²⁾ at their date of leaving, no actuarial penalty is applied to benefits arising from membership up to 1/4/2020. Benefits accrued from 1/4/2020 will attract a penalty reduction based on the period of time from the member's date of leaving until their Normal Pension Age ⁽¹⁾.
- ii) For members born before 1/4/1960 who have **not met** the Rule of 85⁽²⁾ at their date of leaving, then benefits arising from membership up to 1/4/2020 will only attract a penalty based on the period from date of leaving to the date on which the Rule of 85 (or age 65 at the latest) is met. Benefits accrued from 1/4/2020 will attract a penalty reduction based on the period of time from the member's date of leaving until their Normal Pension Age⁽¹⁾.
- iii) For members born on or after 1/4/1960 who have **met** the Rule of 85⁽²⁾ at their date of leaving, no actuarial penalty is applied to benefits arising from membership up to 1/4/2008. Benefits accrued from 1/4/2008 will attract a penalty reduction based on the period of time from the member's date of leaving until their Normal Pension Age ⁽¹⁾.
- iv) For members born on or after 1/4/1960 who have **not met** the Rule of 85⁽²⁾ at their date of leaving, benefits arising from membership up to 1/4/2008 will only attract a penalty reduction based on the period of time from the member's date of leaving to the date on which the Rule of 85 (or age 65 at the latest) is met. Benefits accrued from 1/4/2008 will attract a penalty reduction based on the period of time from the member's date of leaving until their Normal Pension Age⁽¹⁾.

Under the 2018 Regulations, scheme members can retire voluntarily once they attain age 55. This requires a consideration as to how the Rule of 85 protections should be updated for persons retiring between ages 55 and 60.

(1) Normal Pension Age is different depending on the period of membership it relates to.

(2) For the Rule of 85 to be satisfied, a person's age and calendar length of scheme membership with both elements calculated in complete years must add up to at least 85.

Proposed Discretion:**For members who retire between age 55 and 60**

The protections described in paragraphs i) to iv) above will apply with the modification that the actuarial penalty based on the period of time from date of leaving until age 60

will not be waived. The Chief Finance Officer, Head of Human Resources & Business Transformation and employing Service will consider all relevant factors and only where it can be demonstrated to be in the interests of the Council will a variation be made to the general policy.

This is on the basis that voluntary retirement between 55 and 60 is a new provision from 2018 not envisaged when the original protections were introduced in 2008.

Previous Discretion:

The Chief Finance Officer, Head of Human Resources & Customer First and employing Service will consider all relevant factors and only where it can be demonstrated to be in the interests of the Council will rule of 85 protection be set aside either in full or in part.

NON-COMPULSORY ITEMS:

Early Payment of Pension:

Regulation 29(5) & 29(13) LGPS (Scotland) Regulations 2014

Summary of Discretion:

This applies to those who left the scheme before 1st June 2018 and have deferred rights under former regulations (ie not 2018). If the option to access benefits from age 55 becomes an automatic right for former members then this discretion will cease to apply.

Consider whether to agree to a request for early voluntary payment of benefits on or after age 55 and before age 60.

Proposed Discretion:

The Chief Finance Officer, in conjunction with the Head of Human Resources & Business Transformation and the employing Service, will consider all relevant factors and only where it can be demonstrated that compassionate grounds and exceptional circumstances exist will benefits be authorised for release on or after age 55 and before age 60.

In determining compassionate grounds, financial reasons alone will not be considered sufficient to justify the release of benefits.

Previous Discretion:

This policy is unchanged.

Members' Contribution Rates :

Regulation 9(4) LGPS (Scotland) Regulations 2018

Summary of Discretion:

Consider whether member's contribution rates will be reassessed where there is a permanent material change to a member's employment.

Proposed Discretion:

Contribution rates will be reassessed where there is a permanent material change to a member's employment eg on promotion, demotion, re-grading or a part-time member's contractual hours change. The new rate will be communicated to the individual along with the date from which it is to be applied at the year end and they will be informed of the right of appeal under the Internal Dispute Resolution Procedure.

Previous Discretion:

The proposed policy under the 2018 regulations is the same as the policy under regulation 9(3) of the 2014 regulations.

**Internal Disputes Resolution Procedure :
Regulation 68(5)(c) LGPS (Scotland) Regulations 2018**
Summary of Discretion:

The Local Government Pension Scheme contains its own disputes resolution procedure. This involves appeals being heard by the Principal Pensions Officer of Strathclyde Pension Fund with whom the Falkirk Council Pension Fund has a reciprocal arrangement. Some appeals require to be considered by the employer in question (e.g. a dispute over the member's rate of pension contribution or the failure of the employer to grant ill health retirement). Consequently, consideration should be given as to who should be responsible for adjudicating on such "employer related" disagreements.

Proposed Discretion:

Where the appeal concerns "employer related disagreements" the specified person to hear an appeal is the Head of Human Resources & Business Transformation, or alternatively the Chief Finance Officer.

Previous Discretion:

The proposed policy under the 2018 regulations is the same as the policy under Regulation 71(5c) of the 2014 regulations.

**Acceptance of Late Transfer Payments :
Regulation 95(6) LGPS (Scotland) Regulations 2018**
Summary of Discretion:

Consider whether to extend the normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.

Proposed Discretion:

Unless there have been administrative delays or omissions as determined by the Chief Finance Officer/Pensions Manager, transfer payments will only be accepted where the request to transfer has been made within 12 months of participating in the Falkirk Council Pension Fund.

Previous Discretion:

The proposed policy under the new scheme is the same as the policy under Regulation 98(6) of the 2014 regulations.

**Extension of 30 Day Deadline for Shared Cost APCs:
Regulation 16(16) LGPS (Scotland) Regulations 2018**
Summary of Discretion:

Consider whether to extend the 30 day deadline for a member to elect for a shared cost APC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve force service leave).

Proposed Discretion:

In the event of authorised leave of absence, the scheme member will be allowed to elect to buy-back the amount of "lost" pension within three months of the individual returning from that leave of absence, provided they have requested and received details of the

cost of the buy-back from Payroll. The employee should allow up to one month for Payroll to administer the calculation within the 3 month period.

Previous Discretion:

The proposed policy under the new scheme is the same as the policy under Regulation 16(16) of the 2014 regulations.

Any other discretions arising under the regulations of the LGPS 2018 regulations will be considered and determined by the Chief Finance Officer, Head of Human Resources & Business Transformation and employing Service on a case by case basis.

Falkirk Council

Title: Severance Report – 2017/18
Meeting: Executive
Date: 27 November 2018
Submitted By: Director of Corporate & Housing Services

1. Purpose of Report

- 1.1 In accordance with Audit Scotland's 2003 'Bye Now, Pay Later' report, this report provides members with a summary of numbers, costs and savings attached to early retirements for employees in 2017/18.

2. Recommendation

- 2.1 It is recommended that Members note the costs and savings achieved from voluntary severance and ill health retirement arrangements for the period 2017/18.**

3. Background

- 3.1 Under the Local Government Pension Scheme regulations, 3 main options exist for early retirement:
- Efficiency
 - Redundancy
 - Ill Health.
- 3.2 Members will be aware that the Severance Policy was reviewed and agreed by Executive in May 2018. The current Pensions Discretions Policy was approved in June 2015. The pension regulations have recently been updated and the Discretions Policy will be reviewed to take account of this and a separate report will be submitted.
- 3.3 With regard to ill health retirement, Members should note that the Council has limited control over ill health retirement costs, since employees who are permanently unfit for work and who cannot be redeployed (as determined by an independent occupational health physician) are entitled to access their pension benefits. In cases of ill health retirement, it is assumed the retiring employee's post will be filled at the same level therefore savings will not be generated.
- 3.4 The total costs and savings set out below are calculated in accordance with actuarial guidance that has been approved by Audit Scotland. They do not take into account consequential costs and savings that can arise, such as payment in lieu of notice, vacancy management or salary incremental progression. In line with the approach now taken in cases of voluntary severance, the savings reported are based on salary savings accrued in the five year period from the date of retirement.

4. Voluntary Severance Exercise

- 4.1 Between April 2017 and March 2018, 27 non-teaching employees accepted voluntary severance offers made to them.
- 4.2 Severance has been used as a tool to help realise workforce savings across the Council for a number of years. In recent years, active 'trawls' have been undertaken to encourage severance applications from employees. There has not been an active trawl in the 2017/18 financial year although the scheme remained open for employees to apply. The following table provides the savings, costs and net savings for 2017/18 and the previous three years for all employees except Teaching staff for information. The costs shown may be subject to slight adjustments due to final pension calculations.

Financial Year	Number of Voluntary Severance Acceptances with a leaving date in the financial year	Total 5-year Gross Savings	Total 5-year Costs (severance and replacement costs)	Total 5-year Net Savings
2014/15	31	£3,438,088	£975,139	£2,462,949
2015/16	160	£17,989,965	£3,100,390	£14,889,575
2016/17	135	£16,068,167	£3,368,500	£12,699,667
2017/18	27	£2,792,626	£612,251	£2,180,375
Total	353	£40,288,846	£8,056,280	£32,232,566

- 4.3 In addition 1 teaching employee accepted Voluntary Severance offer with a termination date during 2017/18. The cost of the case is £38,502 with the net 5 year savings of £291,100.

5. Ill Health Retirals

- 5.1 A summary is shown below:

Financial Year	Number of Ill Health Retirals	Total Costs
2017/18	17	£1.5m

- 5.2 The employer's contribution rate includes an allowance of £2.4m for ill health retiral. Ill health retiral costs for 2017/18 are within this allowance by a margin of £0.9m.

6. Implications

Financial

- 6.1 Financial/additional implications are explained in the body of the report at 4.2 and 5.1 .

Resources

- 6.2 There are no resource implications from this report.

Legal

- 6.3 There are no legal implications from this report.

Risk

- 6.4 There are no risks from this report.

Equalities

- 6.5 There are no equality implications from this report.

Sustainability/Environmental Impact

- 6.6 There are no sustainability or environmental implications from this report.

7. Conclusions

- 7.1 Voluntary Severance applications are approved in line with Council Policy, with 28 cases accepted with a leaving date during 17/18. Ill Health retirements during 17/18 totalled 17, with associated costs below the employer's contribution allowance.

Director of Corporate & Housing Services

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Date: 14 September 2018

Appendices

None

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- None