

Retirement

1. Introduction

Within the FC, employees choose when to retire and take their pension benefits, providing they are eligible to do so under the provisions of their pension scheme. The aim of this procedure is to explain:

- how you can plan and arrange your retirement;
- the support available when making the transition into retirement; and
- partial retirement as an option.

2. Understanding Your Pension Benefits

Detailed guidance on the provisions of Civil Service Pension Schemes are available from the [Civil Service Pensions Website](#) or from your pensions administrator (contact details given below). This includes details on the partnership (stakeholder) pension account available with private pension providers. The information available explains:

- your benefits including benefits for dependants,
- how your pension benefits are calculated;
- how you can boost your pension;
- when you are eligible to take your benefits;
- limits on reckonable service and contributions; and
- what happens to your benefits when leaving the FC before you are eligible to take your benefits.

The website also contains an online calculator to help you understand your pension benefits and plan ahead for retirement.

The age at which you will be eligible to take your benefits will depend on which pension scheme arrangement you are in – therefore please refer to the guidance available on the [Civil Service Pensions Website](#) to understand when you are eligible to take your benefits.

The annual benefits statement that you receive gives you an estimate of your pension benefits, which helps you to understand the income you'll receive when you retire.

Should you wish to discuss or ask a question about your pension entitlements please contact the **FC's Pensions Administrator**: Xafinity Paymaster on Tel: 01253 879190 or email: fc@xafinitypaymaster.co.uk

3. FC Support

3.1 Pre-retirement Events

Retirement is a significant life change and may require considerable adjustment. For this reason, we arrange pre-retirement events which you will be invited to attend approximately two years prior to your minimum pension scheme age.

3.2 Guidance

The FC booklet '[Thinking About and Preparing for Retirement](#)' is also available to help you make the transition into retirement and contains a range of helpful material, including details of the FC Association. You can view this on e-Connect and, if necessary, a copy can be obtained from there for you by your manager, if you do not have easy access to a PC. Alternatively, HR Services can provide a copy on request.

You may also prepare for retirement by making reasonable use of FC resources to access information, support and advice on the transition to retirement. For example, there are several magazines available, which aim to inform those over 50. Managers can approve a subscription, generally of £20.00 to £30.00 per annum until the date of retirement. You can also seek your manager's agreement to make use of FC Internet access to find relevant information. The [Pensions Service website](#) is a good starting point for information about pensions and pensioner benefits in the UK.

The [People Support](#) team are also available to help you identify choices and explore options during the transition to retirement.

4. Arranging Retirement

The process for arranging your retirement is very simple. This is outlined below and in the flow diagram at appendix 1. There is also a 'retirement preparation checklist' provided at appendix 2 to support you in making the transition.

4.1 Step One: Discuss Retirement Plans at the Earliest Opportunity

Taking retirement is a step that will require careful consideration. Talk to your line manager when you're starting to think about retirement – having a discussion with them about your future plans is simply that, a discussion, and does not commit you to leaving the FC until you've made firm plans and notified your manager in writing.

You are expected to give your manager six months written notice of your planned retirement date. This will not only help ensure that your retirement is smooth and your benefits are ready in good time, but it will also help your manager plan to have the necessary skills available to carry on delivering work and services after you have retired.

4.2 Step Two: Confirm Retirement Date in Writing

Once you've discussed your retirement plans with your manager and made your decision, you should confirm your intended retirement date to your manager in writing (either by email or by letter) as soon as possible. Once this is passed to HR Services they will arrange for your pension benefits to be ready for you at retiral.

4.3 Step Three: Approaching Retirement

At least 3 months before you are due to retire, HR (Pensions) will arrange for your pension entitlements to be calculated and at least six weeks before your intended retirement date you'll be provided with details of your award and confirmation of the bank account details that you want your pension to be paid into. Your pension will be paid monthly, in arrears. HR Services will also write to you with regard to the administrative arrangements for leaving the FC.

5. Re-employment

Be aware that if you retire and draw your pension benefits and are subsequently re-employed by the FC, or elsewhere within the Civil Service, your pension may be reduced temporarily or suspended.

6. Partial Retirement

6.1 Considering & Applying for Partial Retirement

You have the option to consider 'partial retirement'. Partial retirement is intended to facilitate a gradual move from work to retirement via a minimum reduction in pensionable earnings of 20%, which allows you to take some or all of your pension and pension lump sum you have built up while continuing to work. The reduction of 20% is

achieved by a voluntary reduction in working hours and/or Pay Band level. Your new salary together with your pension cannot be more than your salary was before partial retirement.

This means that you will not resign or retire and then be re-employed, but will continue with your contract of employment with a variation (issued by HR Services) reflecting the new salary and related allowances/benefits that are changing.

Partial retirement is subject to management agreement. Managers will take a fair and consistent approach to considering requests, however there is no 'right' to partial retirement - each request will be considered on its merits.

The steps required for pursuing partial retirement are outlined below and are illustrated in the flow diagram at appendix 3.

6.1.1 Step One: Initial Considerations

If you are interested in pursuing this option, you must firstly discuss with your line manager whether it is something they are able to accommodate. Partial retirement may involve reducing your hours, or moving to another pay band by either changing your job content or moving to another post. Ultimately, your application will have to be approved by your Unit Manager.

6.1.2 Step Two: Understand the Financial Implications

Before deciding to apply, but after the initial discussion with your line manager regarding feasibility, you should read the guidance available on the [Civil Service Pensions Website](#), specifically the booklet entitled "Partial retirement – a guide for scheme members" which, alongside an online calculator, will help you understand the possible effect of partial retirement on your income during the transition to retirement (type in 'partial retirement' in the search box on the website to find the guide). If you cannot access this from the website, speak to the FC's pensions administrator, Xafinity Paymaster, who will help you access the information you require. If you need information on how much pension you have already accrued, you should refer to your most recent annual benefit statement.

6.1.3 Step Three: Application for Partial Retirement

The application form is available in "Partial retirement – a guide for scheme members". Completing this form will allow you to be provided with information about your pension, once you have your managers' agreement for partial retirement. When you have completed the form, pass it to your line manager who will then submit it to your unit manager for approval. If approved they will then pass it to HR Services who will arrange for the pensions administrator to confirm the pension benefits that can be paid.

When you have agreed with your manager how and when you will partially retire, you decide how much pension, and related lump sum, to take. You carry on working and build up further pension in your current pension scheme before you fully retire (subject to Inland Revenue limits – see the [HMRC website](#) for further details on tax relief limits).

You can apply to take your pension before partial retirement has taken place but no later than three months after the reduction in pensionable earnings of at least 20% has occurred. Pension will be payable from the date of partial retirement, so arrears of pension will normally be due. Note that your manager may require you to give a period of notice before partial retirement takes effect.

6.2 Appeals

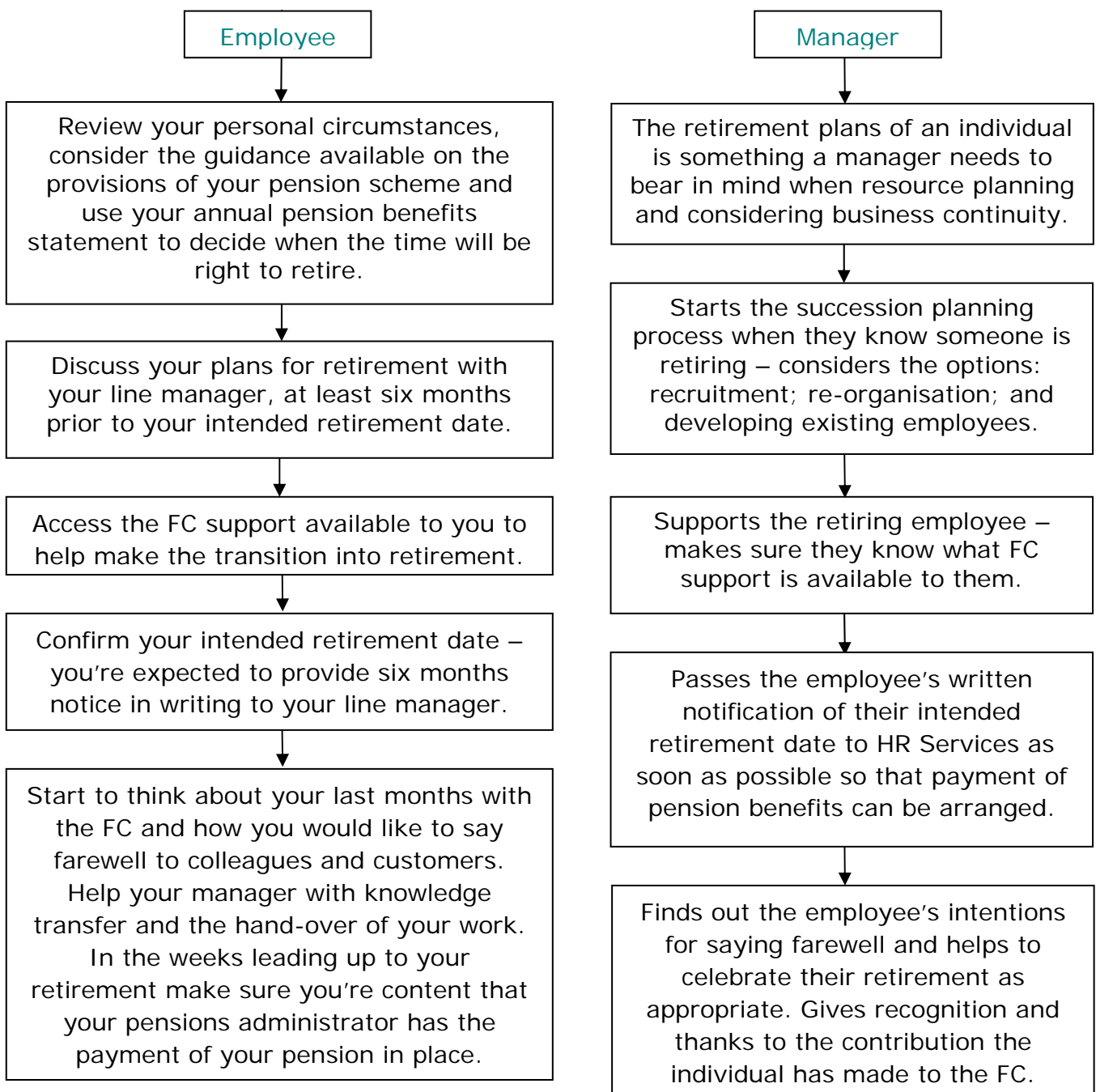
If you apply for partial retirement but the request is turned down, you can appeal. This should be to the manager immediately above the one who has turned down the request, in writing. You will be invited to a meeting to discuss your appeal and the decision will be confirmed to you in writing.

6.6 'Business as Usual'

Normal performance management arrangements and salary increases will apply after partial retirement. The FC will continue to contribute to your pension benefits as part of your pay and reward package.

Appendix 1

Arranging Retirement



Retirement Preparation Checklist

1. Things to do when You are Starting to Think About Retirement

- understand your pension benefits to make sure you know how retirement will affect your finances
- explore the FC support that is available to you in making the transition into retirement
- speak to your manager about your retirement plans
- confirm your intended retirement date in writing

2. Things to do in Your Last Few Months of Work

- assist management by completing your agreed work programme and handing over to/training colleagues;
- arrange farewells with colleagues, contacts, and customers;
- you can expect that 6 weeks prior to retirement, your pensions administrator will get in touch with you to set up pension arrangements;
- get in touch with The Pension Service if a state pension is due to be paid;
- arrange to repay loans/imprest to the FC

3. And in Your Last Few Weeks of Work

- during your last few weeks you will hand over papers, journals, official FC equipment or other working material, undertake house-keeping of papers and PC, discuss your preferred style of farewell, complete the handover to your replacement if appropriate, and rescind any financial authorities held;
- contact your pensions administrator if you are in any way unsure of your entitlements

4. On or After Retirement

You can expect:

- your final salary to be paid into your bank account 1-3 weeks after your retirement day;
- your lump sum to be paid into your bank account 1 working day after your official last day of service;
- the State Pension is due from the Monday following your 60th (for women) or 65th (for men) birthday as appropriate. The state pension age for women will start changing incrementally from 60 to 65 from 2010 onwards;
- the first monthly pension payment will be paid into your bank account at the end of the month in which retirement takes place;
- you will receive your P45 around 3-4 weeks after retirement.

Appendix 3

Arranging Partial Retirement

