

Retirement



Summary

This policy document covers all retirement options from Westminster City Council (WCC) for employees who are members of the WCC Local Government Pension Scheme (LGPS) only. Members working for other fund bodies should contact their own employer for further information.

All WCC LGPS fund members are encouraged to [register](#) onto the Hampshire Pension Services Member Portal (HPS). Members can run their own retirement estimates and update basic personal changes directly via the HPS Member Portal.

In addition the policy document includes relevant details for anyone paying into the Teachers Pension Scheme (TPS) and the NHS Pension Scheme. Members of both schemes should access their pension records online and check their annual statements each year, via the relevant member portal.

Retirement Age

There is no longer any retirement age for WCC employees, irrelevant of if they pay into the LGPS, TPS, NHS, or no scheme at all. It is an employee decision when to retire. However active contributors will not be able to draw down pension benefits until they reach age 55 and must take their pension before their 75th birthday.

Please note that if an employee had accrued pension previously that was preserved under an older pension regulation then payment may not be available until age 60 at the earliest. Payment prior to a members State Pension Age (SPA) is generally subject to some reduction.

Retirement at State Pension Age

State pension age is subject to legislative change, for more information please visit <https://www.gov.uk/calculate-state-pension>.

LGPS Retirement (from age 55)

Employees with membership of the LGPS post 1st April 2014 can elect to resign employment and take their pension benefits from 55. Retirement is an employee decision and anyone can give their contractual notice from 55 to retire from WCC and take their accrued pension benefits.

WCC as an employer has the discretion to waive the reduction applied to pension benefits but will only consider this in exceptional circumstances for compassionate reasons. Each case is considered on its merits, and is subject to the agreement of the Director of People services who will make the final decision. A decision to waive reductions will generate costs for the employer proportionate to the reductions being waived and the age of the employee involved.

LGPS Retirement

An employee wanting to consider retirement should log onto the [Hampshire Pension Services Member Portal](#) (HPS) and run their own estimates to see the expected pension they will receive.

If the employee has any concerns or needs anything explaining they can contact the pension administrators at Hampshire Pension Services for additional support. Contact details are available on the [Hampshire Pension Services](#) (HPS) website.

When the employee makes the decision to retire they should inform their manager in the usual way, giving contractual notice and indicating they wish to take their accrued LGPS pension benefit. The manager will inform the IBC via the 'Make leaver' function on SAP using the retirement option. The employee is also required to complete the Retirement Declaration Form via the Hampshire Pension Services Member Portal. This will ensure that pension leaver forms are completed prior to the employees last day of service with WCC.

Please note if the employee has an in house AVC then there will be delays in paying benefits. AVC's cannot be disinvested until the last AVC payment has been paid to the provider or before the members retirement date.

As long as Hampshire Pension Services (HPS) have all of the information required including the leaver form and the retirement declaration form, Hampshire Pension Services will write to the individual with pension forms and relevant options for the employee. The employee will need to return the forms including proof of date of birth, spouse / partner date of birth and any relevant marriage or civil partnership certificate.

Once Hampshire Pension Services (HPS) have all the necessary information any lump sum payment due will be paid on the retirement date or as soon as possible after. The pension payment follows on the next available payroll run, which for WCC runs on the last working day of the month.

Additionally please note that pension payslips are only sent out in the first month that a pension is paid. All payslips will be available via the Hampshire Pension Services Member Portal referred to above.

Pensions are increased annually on the first Monday after 5 April each year by a factor related to the Consumer Prices Index (CPI). You will be written to each year to advise what the CPI factor is. In your first year you will be awarded a proportional increase related to the length of time that your pension has actually been in payment for. Any pension built up in the Career Average Revalued Earnings scheme will receive the full CPI increase.

LGPS Flexible Retirement

Flexible retirement between the ages of 55 and age 60 will only be granted in exceptional circumstances, due to the employer costs associated with it. Employees and managers are asked to consider this before submitting a report to People Services.

As an employer of choice WCC want to encourage experienced employees to remain in employment by offering flexibility to their work life balance. Employees who are 55 or older, who do not wish to leave employment with WCC but want to draw their pension and continue to work, can apply by formally requesting flexible retirement via their manager. If the manager supports the request a report needs to go to People Services outlining the case for final sign off by the Director of People Services.

Any employee asking to be granted flexible retirement has to either reduce their hours by a minimum of 30% or take a reduction in their grade by one broad band if they want to take on a lower graded role (subject to availability).

A manager will submit a case for flexible retirement to people services, shay@westminster.gov.uk approximately two months prior to the intended flexible retirement date. If approval is given by the Director of People Services, the employee and the manager will be notified. HR will inform the IBC who will complete the pension retirement forms and send to our pension administrators Hampshire Pension Services (HPS). The manager will be responsible for ensuring that any agreed hours or grade change as part of the flexible retirement is actioned on SAP.

LGPS Ill-Health Retirement

An employee contributing to the LGPS may be retired on ill health grounds if Occupational Health (OH) and the ill health panel determine that an employee is suffering from a condition that renders them permanently or temporarily incapable of carrying out efficiently the duties of the relevant employment.

Before determining whether or not a member is entitled to a Tier 1, Tier 2 or Tier 3 ill health pension, the employer must obtain a medical certificate from an independent medical practitioner (IDRP, this is usually an OH doctor). This certificate and the IDRP opinion is used by the ill health panel to determine whether or not to award an ill health pension and the appropriate Tier. Each tier is defined as below;

- Tier 1 - member is unlikely to be capable of undertaking [gainful employment](#) before normal pension age.
- Tier 2 - member is unlikely to be capable of undertaking any [gainful employment](#) within three years of leaving the employment but could undertake gainful employment before their normal pension age.
- Tier 3 - member is likely to be capable of undertaking [gainful employment](#) within three years of leaving the employment, or before [normal pension age](#).

The tier awarded to the member will impact the pension released.

It should be noted that although an employee may not be well enough to work in their current role for a significant period of time, they might not meet the criteria required for ill health retirement under the LGPS regulations. Managers and employees should seek specific advice from OH and their HR Advisor.

Further guidance for managers on the LGPS ill health retirement is [here](#).

Here is an overview of the [process](#) for members of the LGPS pension scheme.

Ill-Health Retirement Appeal

Where the panel make the determination that the applicant meets the criteria for ill health retirement, the case will be processed in accordance with that decision.

If the applicant is a former member of staff, the pension and payroll team will inform the pension administrators that the case can be processed and released effective at an agreed date, usually the date of application.

If the member is an active member of staff then the manager should process the case accordingly and advise the applicant of the decision of the panel and confirm the retirement on grounds of ill health and the relevant tier awarded by the panel. The applicant will be entitled to any contractual notice and the Employee Relations Team will provide support where required. Ill Health Retirement is an employer decision and any applicant can may appeal the decision to ill health retire them by responding within the agreed timescale.

Where the decision of the panel is that ill health retirement is not granted, then the decision to the applicant should be notified either by the Manager or by the pension and payroll team if they are not a current employee. The decision should be confirmed in writing and the member advised that they can appeal under the Internal Dispute Resolution Procedure (IDRP) by putting the details of any appeal in writing to the Strategic Pension Specialist.

LGPS Efficiency Retirement from age 55

In some circumstances where the organisation of an employee's work or the way in which it was carried out has altered radically, and the employee through no fault of their own has been unable to adapt to the changing circumstances, the Council has discretion to agree to the early termination of an employee's employment. Employees aged 55 or more will have their pension benefits released automatically (without reduction) as determined by the LGPS regulations in these cases.

Each case is considered on its merits, and will include consideration of the following:

- Evaluation of the employee's performance during supervision meetings or during performance management assessment.
- Training courses attended and any other records showing how the employee has tried to obtain the skill(s) required
- Details of new systems they are required to operate or changed priorities (e.g. new systems or other different working practices)

A report based on these criteria, and including details of any early release of pension costs must be made to the relevant Cabinet Member who will make the final decision. Estimates can be obtained from People services.

LGPS Redundancy (over 55)

Employees being made redundant can elect to give up some of their compensation payment as long as they take any Statutory Redundancy Payment (SRP) due. Any sum that the employee elects not to take the employer will then use its discretionary power to purchase an additional pension contract (APC) by using the

LGPS APC Modeller see link below. Employees should note that the APC awards pension due at a members State Pension Age (SPA). Where the employee is not at their SPA the pension awarded at the date of redundancy will be reduced for early payment and no reductions will be waived by the employer on the APC element of the pension.

<https://lgpsmember.org/more/apc/extra.php>

Teachers Pensions

The majority of employees are entitled to be a member of the LGPS as part of their terms and conditions. Some employees who work as tutors for Westminster Adult Education Service (WAES) or as an instructor capacity for Sayers Croft field centre may be entitled to membership of the Teacher Pension Scheme (TPS). Employees should refer to their employment contract for confirmation and check the pension deductions on their payslip.

If you are in the TPS and thinking about retiring you should go to the Teachers Pension member hub below and log onto the my pension online section. Once you have access you can run your own estimates.

<https://www.teacherspensions.co.uk/members/member-hub.aspx>

Employees should check their annual TPS statement every year via the my pension online access to ensure that there are no gaps in your service lines. If there are gaps let People Services know as soon as possible so that information can be returned to Teachers Pensions Scheme.

Information about retirement options for Teachers are available on the website.

Ill Health retirement is possible in the TPS. The rules do vary from scheme to scheme but where it is clear that an individual is not fit to work currently a referral can be made to TPS own doctors to make a recommendation. WCC OH team will prepare information for submission to TPS.

An employee who is a member of the Teachers pension scheme can elect to retire and take their accrued pension benefits from age 55. When the employee has decided they want to retire they need to select the relevant online form on the my pension portal and make an application for the relevant form of retirement.

Once the application is accepted on the portal by Teachers Pensions it gets sent to WCC as an employer to authorise and complete any missing service details. It's important that if the employee has advised TPS they are leaving service that the manager has agreed this with the employee and advised Hampshire IBC of the relevant last day of service to be applied so that the online form can be authorised as soon as possible prior to the employees last day of service.

The employee will need to liaise with TPS regarding timescales for payment of sums due following retirement.

NHS Pensions

WCC has some employees working as part of our Public Health service who pay into the NHS pension scheme. Pension entitlement should be included in your contract and should clearly be referenced in the NHS pension deduction on the employee payslip.

Employees paying into the NHS scheme are encouraged to access their own records via the NHS member hub see link below.

<https://www.nhsbsa.nhs.uk/member-hub>

There is a specific NHS retirement guide that employees can find via the NHS member hub and research their options in regards to claiming their pension.

The employee will need to complete the relevant retirement application on the NHS hub. In conjunction with applying for pension benefits via the hub, the employee will need to advise the manager of their intention to retire and provide the relevant contractual notice. The manager will need to send the relevant leavers notice to Hampshire IBC for completion.

NHS pensions will ask WCC to confirm the pay details for the employee and the retirement date via the NHS employer hub. Once the application has been completed by WCC. NHS pensions will be in touch regarding the payment of future pension benefits.

Civica Pensions - Home

upmliveportal.hants.gov.uk

Hampshire Pension Services Administering the Local Government Pension Scheme, Police and Fire schemes **Advance Notice – Due to scheduled maintenance, Member Portal will be unavailable from 18:00 until 22:00 on the 8th of June 2022.

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