



<b><u>Policy Title</u></b>	<b>Retirement</b>
<b><u>CCMT Sponsor</u></b>	<b>Director of Resources</b>
<b><u>Department/Area</u></b>	<b>Human Resources</b>
<b><u>Section/Sector</u></b>	<b>Headquarters</b>

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## **1.0 Rationale**

Thames Valley Police is firmly committed to providing equality of opportunity for members of staff. To achieve this, the Force will strive to create and maintain an environment in which there is respect for each individual and recognition of his or her needs, aspirations and feelings. This policy promotes and contributes to making TVP a fully inclusive organisation.

This policy is applicable to Police Officers, Special Constables and Police Staff (including those on fixed term contracts).

## **2.0 Intention**

This retirement policy explains the rights of members of staff when they reach their Compulsory Retirement Age (CRA).

The normal retirement age for Police Staff is 65, which is the default retirement age set by the Regulations.

In order to maintain an effective police service and because of the nature of the duties of a Police Officer, the Home Office has concluded that it is necessary and objectively justifiable to depart from the default retirement age of 65 for officers. The new CRAs for Police Officers from 1 October 2006 are as follows:

Federated ranks (Constable – Chief Inspector)	60
Superintending / ACPO ranks	65

Please note that these arrangements will have no effect upon the length of service at which an officer can retire under the Police Pensions Regulations.

Although many individuals may be happy to retire at the CRA, others may wish to apply to remain working for the Force. This policy sets out the procedure for making a request to remain at work beyond the usual CRA.

### **3.0 General Principles**

#### **3.1 Key Concepts**

Members of staff have the right to request to continue working beyond their CRA in their current role under the same terms and conditions. In some cases individuals may wish to request to work flexibly beyond their CRA, such requests will be considered in the light of operational needs and Force requirement.

The guiding principle of this policy is that each request to remain at work beyond the normal retirement date will be considered individually and assessed and determined on an individual basis.

#### **3.2 Eligibility**

A member of staff may make a request to remain in work beyond the CRA provided that they meet the following criteria:-

- the member of staff is employed by Thames Valley Police ; and
- makes an application to remain in work no earlier than 6 months and no later than three months before the expected date of retirement (*Requests that are received outside the specified timescales will only be considered at the discretion of TVP*).

### **4.0 Challenges & Representations**

All challenges and representations should be made in writing to;

Head of Human Resources  
Thames Valley Police  
Oxford Road  
Kidlington  
OX5 2NX

## 5.0 Guidance, Procedures & Tactics

**Please note the retirement procedures for Police Officers and Police Staff are different. Whereas police officers may be deployed under the direction of the Chief Constable anywhere in the force, police staff are appointed to specific roles in BCU/OCU/Departments. Sections 5.1 and 5.3 explain the different procedures.**

Template letters to assist both applicants to an extension of retirement date and members of TVP involved in administering the process can be accessed using the following link: [Retirement Process Template Letters](#)

### **POLICE OFFICERS**

**For the Police Officer procedure please see the flow diagram at [Appendix 1A](#)**

The new arrangements have no effect on the ages at which officers can retire with a pension. Officers who have queries relating to their pensions should refer them to the current Police Pensions provider.

### **5.1 Procedure for applying for an extension to service beyond CRA**

#### 5.1.1 Step 1: Thames Valley Police to give written notification to the Police Officer

The HR/Personnel Manager will write to the officer notifying the individual of the Force's intention to retire the officer on a specified date. The letter will invite the officer to make a request to work beyond the expected date of retirement and will be sent between 6 and 12 months before the expected date of retirement.

#### 5.1.2 Step 2: Officers request to continue in service

It is important that officers give serious consideration to whether working beyond retirement would be best suited to their circumstances, before submitting a formal application.

It may be beneficial for the officer either to discuss their position informally with their line manager or seek advice from their Staff Association before submitting a formal application.

The formal application to stay on in the Force can be made up to 6 months in advance of the retirement date but must be received in writing by the HR/Personnel Manager no later than 3 months before the normal retirement date. The officer should set out what skills and experience they can offer the Force and identify a proposed new retirement date which as a guideline should be set two years from the existing CRA, but where appropriate the period can be longer. The officer should say whether they want to remain in their current role either on a full time or part time basis or

if they would still wish to stay on if exceptionally required to be redeployed. Officers on an extension of service may be redeployed where operational resilience dictates.

Should the officer change his/her mind during the procedure for requesting an extension to service, the officer should notify their HR/Personnel Manager in writing. Please note that only one request may be made in relation to each intended retirement date.

#### 5.1.3 Step 3: TVP to consider the application for extension to service

Each application for an extension to service will be treated individually on its own merits. The suitability of an individual officer for further service will be based on operational effectiveness. Consideration will also be given to the financial viability of retaining the officer, along with the criteria identified in 5.1.4 to assess how their retention would benefit the Force as a whole.

#### 5.1.4 Step 4: Meeting to discuss the application to extend service

On receipt of an application for extension to service, a meeting should be held with the officer to discuss the request. The HR/Personnel Manager should notify the officer in writing of the arrangements for the meeting. The time and place of the meeting must be mutually convenient to all the parties involved and held within 21 days of the date of the receipt of the written request.

The meeting is designed to give the line manager or BCU/OCU Commander/Dept. Head (seeking HR advice where necessary) and the officer making the request the opportunity to discuss the application in detail, using the criteria for granting applications as detailed below. Where there are problems in agreeing to the original request, the meeting will also provide the opportunity to consider suitable alternatives.

The BCU/OCU Commander/Dept Head should ensure that a report of the meeting is made available to the Head of Personnel for his/her consideration when making the final decision. Where a potentially suitable role has been identified, the application should proceed for medical consideration (see criteria below).

### **Criteria for Considering and Granting Applications for Extensions to Service (please see [Appendix 1B](#))**

#### Assessment of skills and performance

The officer's previous performance is a key indicator of suitability for retention but it should be considered objectively. The officer's competencies and skills are also relevant factors, as is information from PDRs and other relevant sources such as the officer's line manager. Discipline and attendance should also be borne in mind.

#### Medical assessment

The officer's ability to carry out police duties is another key consideration. Part of the objective justification of the new CRAs was based on the need for Forces to maintain operational resilience.

It must be established that the officer is mentally and physically capable for the role(s) they will perform whilst on their extension of service, bearing in mind that the officer may exceptionally need to be redeployed in further roles and that they will continue to have a general duty to uphold the law and prevent crime. All these factors make it important that applicants should be medically assessed before a decision is made on extending their service.

If a potential role is identified the officer should be referred to Occupational Health where they will be required to complete a medical questionnaire followed by an examination by the Force Medical Adviser to determine the extent to which they are fit for the ordinary duties of a member of the Force. However, extension to service is not the same as recruitment, and in considering an officer's suitability for extension the emphasis will be on ensuring the officer is not assigned to roles inappropriate to their medical fitness. Applicants should not be refused an extension simply on the basis of not being able to carry out all the duties of a member of the Force. The final decision will depend on a role-related risk assessment which will take into account TVP's duty of care to the individual, colleagues and the public.

#### Role related risk assessment

The role-related risk assessment should consider the above criteria in the context of the (potential) role the officer will be performing. When making a final decision on the suitability of an officer for an extension, consideration should be given to relevant factors including the description of proposed role, the capabilities required, reasonable adjustments that could possibly be made, the risks involved and options for the management of such risks.

The requirement to make reasonable adjustments for officers with disabilities under the Disability Discrimination Act should also be taken into account.

#### Workforce Planning

Previously, officers could postpone their compulsory retirement date by a maximum of 5 years. Under the new arrangements, there will be no upper limit on extensions to service, officers may be granted extensions based on the above criteria. Whilst each application for an extension of service will be based on its merits, unless the officer has requested a shorter extension, the period of extension should normally be for two years, as this strikes a reasonable balance between security of tenure and workforce planning considerations. It is important to ensure that an extension would not unduly hinder other officers' development opportunities. Similarly, this

should be taken into consideration when exceptionally considering an officer on extension for redeployment.

#### 5.1.5 Step 5: Decision

The officer should be informed of the decision in writing by the Head of Personnel as soon as is reasonably practicable.

If the decision is to refuse to grant the extension of service the officer should be given a clear explanation for the refusal and be notified of the right to an Appeal. (5.2.1)

### **5.2 Appeal**

#### 5.2.1 Requesting an appeal

If an officer's request to continue in service is refused or accepted only for a shorter period, he/she may appeal against the decision. Appeals should be addressed to the Chief Constable.

An appeal meeting chaired by a senior member of staff nominated by the Chief Constable should be held with the officer as soon as is reasonably practical.

The Chief Constable has discretion to grant extensions of service to officers up to and including the rank of Chief Superintendent and he/she will also determine whether a medical appeal is required (see 5.2.2). The Police Authority will make these decisions in the case of ACPO rank officers.

#### 5.2.2 Medical Appeals

A medical appeal will be allowed only if an extension of service is refused solely on the basis of the Force Medical Adviser's (FMA) advice and the officer contests this by producing another medical practitioner's opinion directly contradicting the opinion of the FMA. The appeal should in the first place be in the form of a review by the FMA of his or her decision in the light of the fresh medical opinion. If the FMA declines to alter his or her opinion the case should be referred to a third medical practitioner agreed by the FMA and the other medical practitioner. Where the two cannot agree, the third practitioner will be selected by the Chief Constable. In making the final decision on the appeal the Chief Constable or Police Authority will have regard to the opinion of the third medical practitioner.

### **POLICE STAFF**

**For the Police Staff retirement extension procedure please see the flow diagram at [Appendix 2](#)**

Information on Flexible Retirement which applies to Police Staff only can be found in [Appendix 3](#)

### **5.3 Procedure for Police Staff applying to remain at work beyond CRA**

#### **5.3.1 Step 1: Thames Valley Police to give written notification to the member of staff**

The HR/Personnel Manager will write to the member of staff notifying the individual of the Force's intention to retire the individual on a specified date. The letter will invite the member of staff to make a request to work beyond the expected date of retirement and will be sent between 6 and 12 months before the expected date of retirement.

#### **5.3.2 Step 2: Member of staff to make a considered request:**

It is important that members of staff give serious consideration to whether working beyond retirement would be best suited to their circumstances, before submitting a formal application. A request to work beyond retirement, if made and accepted, may result in a permanent change to their terms and conditions of employment.

The formal application to stay on at work can be made up to 6 months in advance of the retirement date but must be received in writing by the HR/Personnel Manager no later than 3 months before the normal retirement date. The request must identify a proposed new retirement date which as a guideline should be set two years from the existing CRA, but where appropriate the period can be longer. It may be beneficial for the member of staff to discuss their position informally with their line manager in advance of making a formal application.

Should the member of staff change his/her mind during the procedure for requesting an extension to their retirement date, the individual should notify their HR/Personnel Manager in writing. Please note that only one request may be made in relation to each intended retirement date.

#### **5.3.3 Step 3 TVP to consider the request**

On receipt of an application to continue working beyond the CRA, the HR/Personnel Manager in consultation with the line manager will consider the request. If the application is approved without the need for any formal meeting, then the HR/Personnel Manager should respond accordingly to the individual.

There may be circumstances where a request cannot be met, or may be partially met through modification of the original request. This will be discussed with the individual at a meeting as described in step 5.3.4. of this procedure. Whilst this process is under way the member of staff will remain employed by TVP.

Individual cases should be judged on their merits and will take account of factors such as:

- Low unemployment rates where filling vacancies may be costly and slow.
- Poor retention rates or high turnover.
- Expansion of the team/unit within the BCU/OCU/Department.
- Lack of skills or knowledge within the team/unit
- Critical organisational need, to deliver a project or finish a specific piece of work.

TVP is under no obligation to specify the reason/s for refusing a request for extension to service. However, it will endeavour to provide the reason wherever appropriate. Examples of reasons for refusing requests for extension include (but are not limited to):

- Changing Force requirement and/or a need for new skills.
- Inappropriate or out of date skills.
- Changing operational requirements which need greater/less flexibility or mobility than the individual wishes.
- Below average performance.
- An individual's capability in the role is in doubt, for example, evidence of poor attendance or a disciplinary record.
- An individual's mental or physical capacity is judged to cause Health and Safety concerns.

#### 5.3.4 Step 4 Meeting to discuss application

The HR/Personnel Manager should notify the member of staff in writing of the arrangements for the meeting. The time and place of the meeting must be mutually convenient to all the parties involved, and must fall within **21 days** of receipt of the written request.

The meeting is designed to give the HR/Personnel Manager, the line manager and the member of staff making the request to stay on the opportunity to explore the request in detail, and to discuss how it can be accommodated. Where there may be problems in agreeing to the original request, the meeting will also provide the opportunity to consider suitable alternatives.

The HR/Personnel Manager and/or the line manager may make reasonable requests from the individual for further information. Failure to co-operate in this may result in an application being treated as withdrawn or rejected.

#### 5.3.5 Step 5 Decision

The HR/Personnel Manager will notify the member of staff making the application of his/her decision within **7 days** of the meeting. *(The member of staff will continue to work until they are informed of the outcome)*

If, following discussion at the meeting, the application is agreed without any changes to the work pattern, the HR/Personnel Manager will write to the member of staff confirming the decision.

If the decision is to offer an alternative pattern of work as agreed at the meeting then the HR/Personnel Manager will write to the member of staff specifying any variation to the contract of employment and the date from which it is to take effect. There may be further discussions between the line manager and the member of staff to ensure that the practicalities of the agreed changes are dealt with and the transition to the new working arrangements is smooth.

If the decision is to refuse the application to stay on then the HR/Personnel Manager will write to the member of staff explaining the decision with reference to the criteria identified in 5.3.3 and notifying them of the right of Appeal.

#### **5.4 Appeal**

Members of staff are entitled to appeal against a decision by giving notice of appeal within **7 days** of the date on which notice of the decision is given.

An appeal must be in writing (signed and dated by the member of staff), setting out the grounds of appeal.

The right of appeal will be to The Head of Human Resources or a member of the Headquarters Human Resources Department nominated by the Head of HR.

The member of staff will be advised by letter of the date and other arrangements for the appeal hearing. He/she will have the right to be accompanied, as explained in 4.5 below. Appeal hearings should be held as soon as reasonably practicable after receipt of the notice of appeal.

The person/s hearing the appeal will reach a decision on the appeal and inform the member of staff in writing within **14 days** of the date of the appeal hearing.

The appeal will confirm the outcome of the original decision or recommend that the grounds for refusing the application were unsound, and that a decision on the application should be reconsidered.

Where the decision is to reject the appeal, the person hearing the appeal will confirm to the individual in writing that TVP will be retiring the member of staff and the date the retirement will take effect.

Decisions made as a result of appeals will be final and will be the concluding stage of this procedure.

## **POLICE OFFICERS AND POLICE STAFF**

### **5.5 Right to be accompanied:**

Members of staff have the right to be accompanied to all meetings by a workplace colleague, staff association representative or Federation friend. The individual will be allowed to fulfil this role within paid organisational time.

### **5.6 Time limits**

Every effort will be made to deal with requests to stay on as promptly as possible. However, there may be occasions when the time scales have to be extended, for example in the case of absence through Annual Leave or sickness.

### **5.7 Written records**

The line manager or HR/Personnel Manager, as appropriate, should keep written records of all meetings and discussions relating to the request. These notes should be written during, or as soon after the event as possible to ensure the accuracy of the record. When the procedure has been finalised all notes should be passed to the HR/Personnel Department to be placed on the individual's personal file.

### **5.8 Further notifications/applications**

If a member of staff's application to continue working has been accepted, the Force will repeat the same retirement procedure when the new retirement date approaches.

## **6.0 Communication**

### **6.1 Links to Police National Legal Database Other**

This document is based on the Employment Equality (Age) Regulations 2006.

### **6.2 Communications Strategy**

This policy will be published on the Policy Management Unit site and a link will be made to the Human Resources Intranet site. An entry will be made in Force Weekly Orders and an article will be published in Managers' Briefing, to advise all staff of the new policy and direct them to policy on the Intranet site.

## **7.0 Compliance and Certification**

### **7.1 Human Rights Certification**

#### **(i) Legal Basis**

Employment Equality (Age) Regulations 2006.PNB/Home Office Joint Guidance for Police Authorities on New Compulsory Retirement Ages and Retirement policy for Police Officers (with effect from 01 October 2006).

#### **(ii) Human Rights Articles Engaged**

The Articles of the convention this policy has the potential to engage are:

Article 8 – The right to respect for private and family life

Article 14 – Prohibition of Discrimination

Audited by: Alison Clements

Audited on: 20 March 2007

### **7.2 Diversity Impact Assessment**

This policy has been assessed against all the strands of diversity and been rated as 'LOW'.

### **7.3 Diversity (Human Resources)**

In the application of this policy, the Force will not discriminate against any persons regardless of their gender, sexual orientation, race or ethnic origin, religion, age or disability.

### **7.4 Data Protection**

Any personal data processed in compliance with this policy will be managed in accordance with the provisions of the Data Protection Act 1998.

### **7.5 Freedom of Information Act**

This policy will be made available to the general public via the Force Internet site under Freedom of Information legislation.

### **7.6 Protective Markings**

This policy has been assessed for its correct level of protective marking and is **NOT PROTECTIVELY MARKED**.

**7.7 Health & Safety at Work**

This policy is to be read in conjunction with the Force Health and Safety Management Policy and Health & Safety Manual, which set out the requirement for documented risk assessment by a competent person, when exposure to a particular hazard arising from workplace or pre-planned policing work activity can be said to be reasonably foreseeable.

**8.0 Monitoring and Review**

**8.1 Links to Best Value/PPAF/Priorities/Performance Indicators**

**8.2 Review Process**

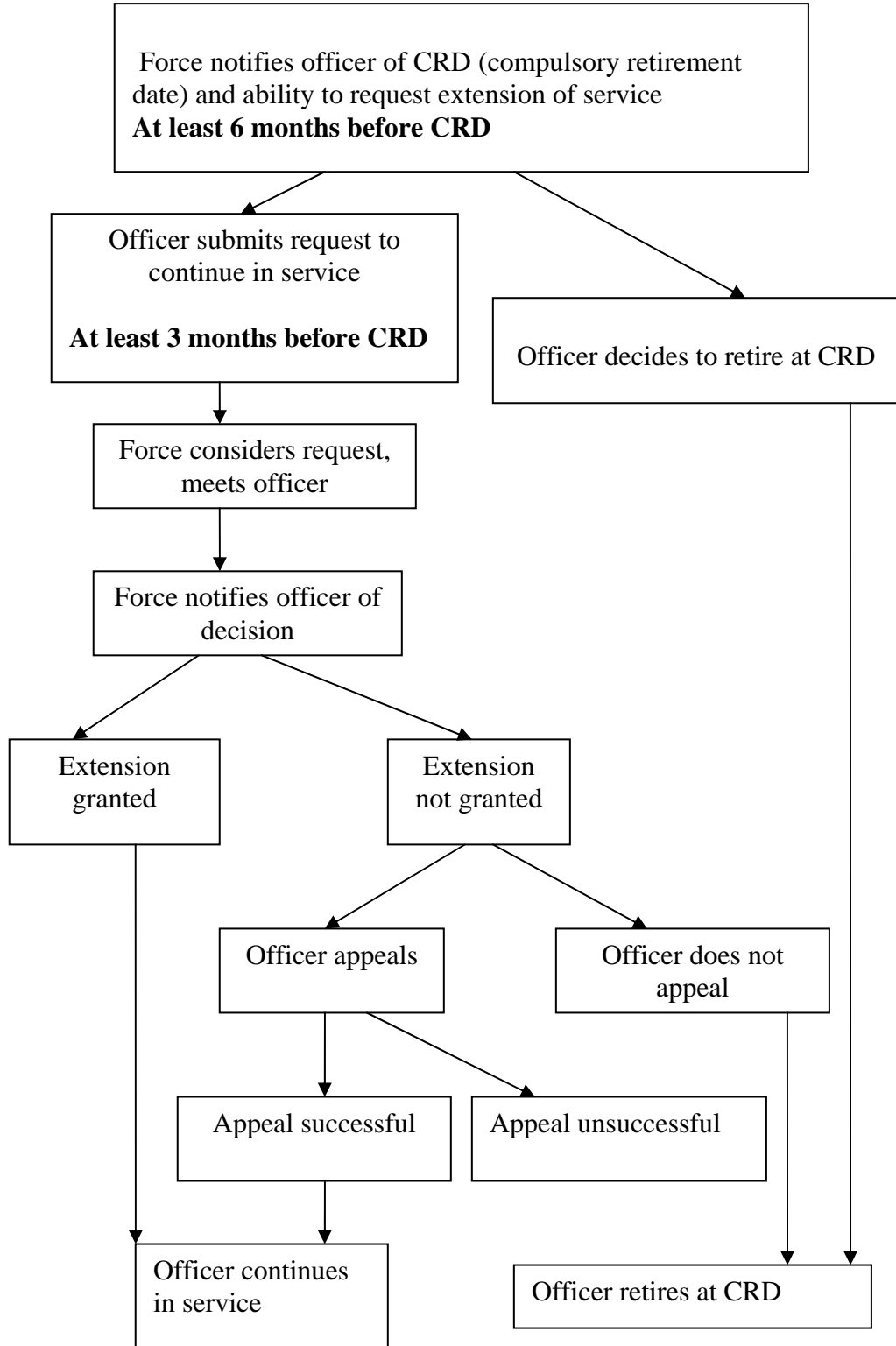
A full review will be carried out by the policy author annually and will examine:

- Changes in legislation
- Court rulings – Domestic, European and Human Rights
- Examples of good practice from other Forces or other organisations
- Changes in Home Office Circulars
- Developments with ACPO Policy Unit
- Representations made by individuals and relevant organisations
- Relevant Race Equality data

**For use by the Policy Management Unit Only**

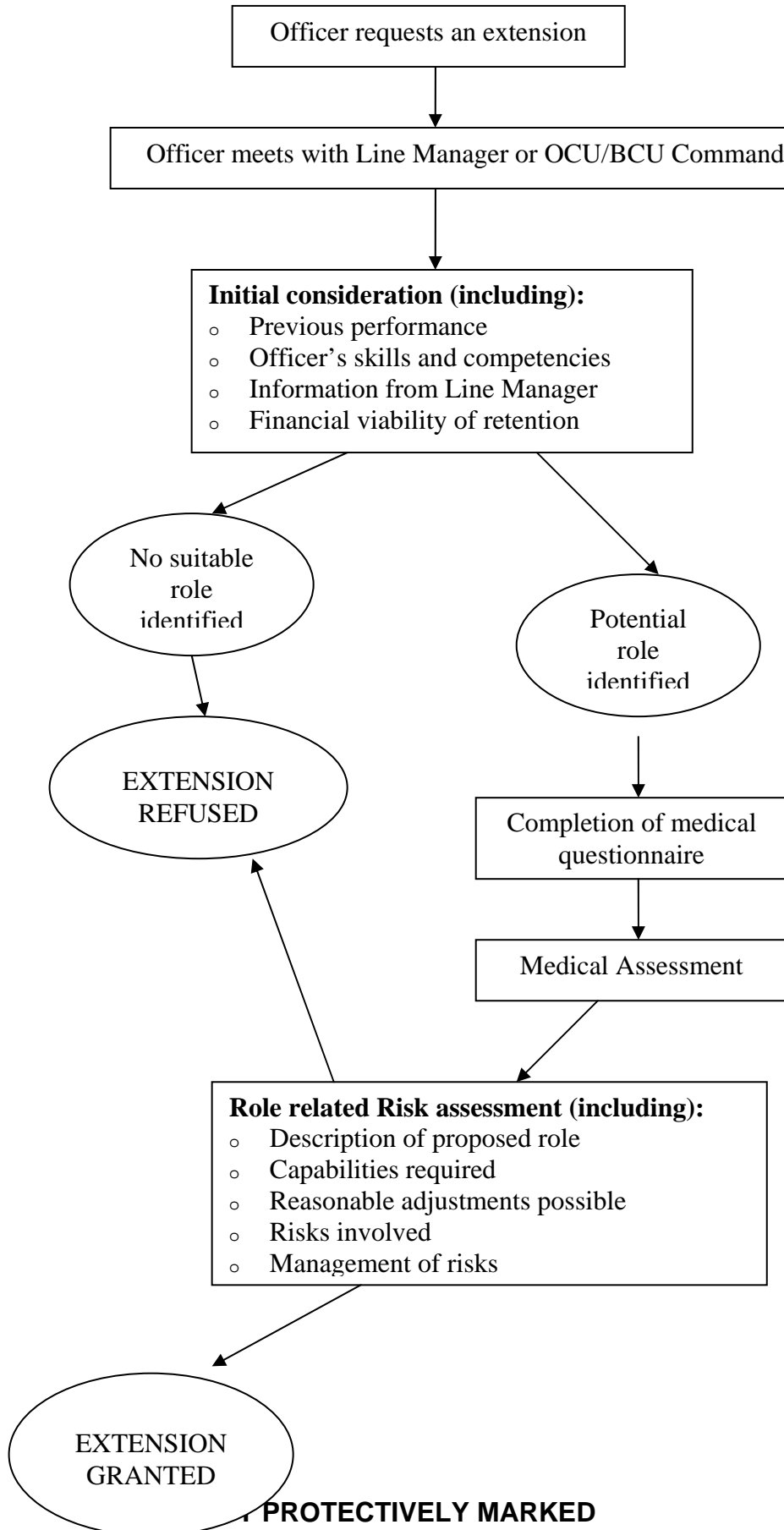
<b><u>Policy Authorisation</u></b>	
<b>Policy signed off by:</b>	
<u>Terri Teasdale</u>	<u>25/05/2007</u>
<b>Director of Resources</b>	<b>Date</b>

**APPENDIX 1A**  
**FLOW DIAGRAM OF RETIREMENT PROCEDURE FOR POLICE OFFICERS**

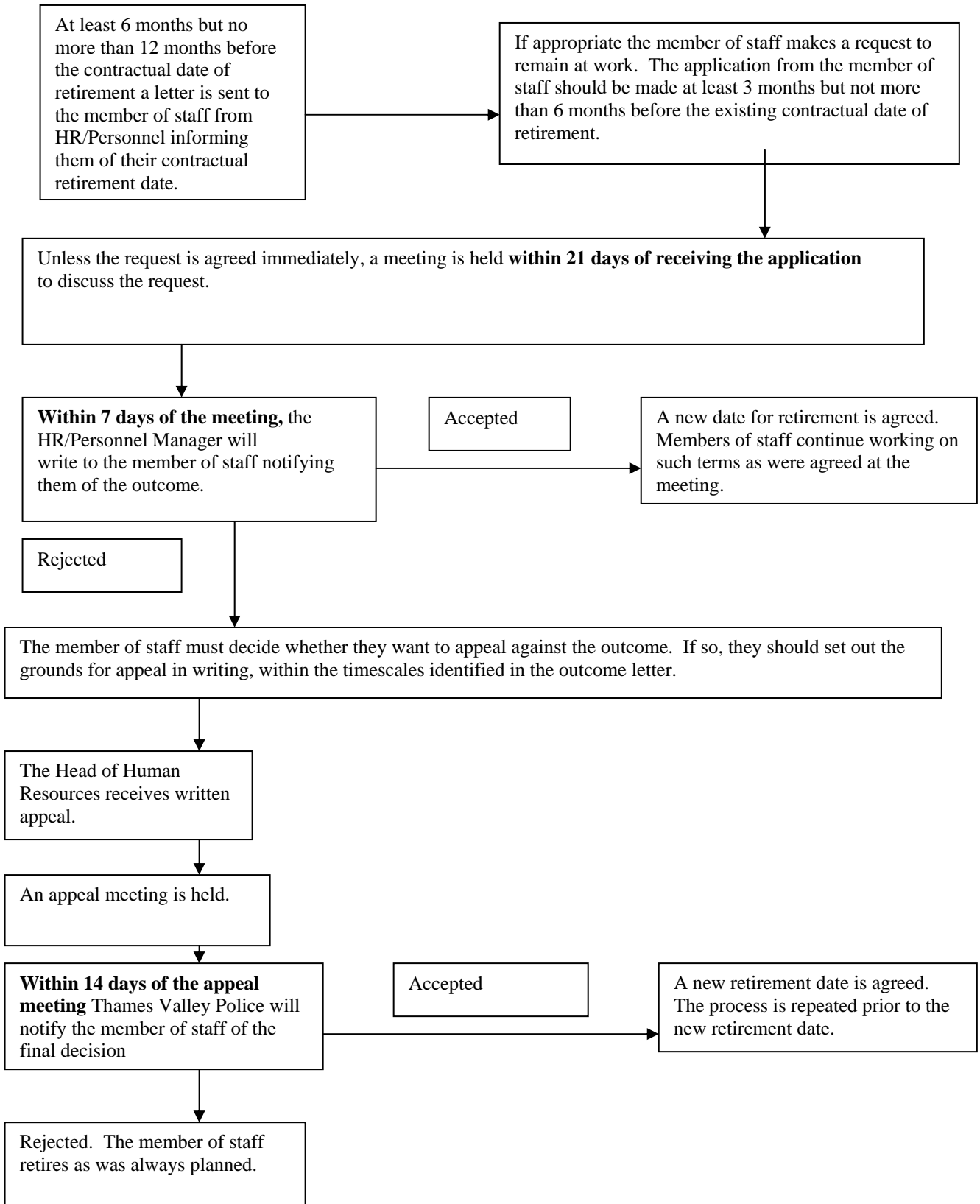


APPENDIX 1B

FLOW DIAGRAM OF PROCEDURE FOR CONSIDERING POLICE OFFICER EXTENSION TO SERVICE



**APPENDIX 2**  
**FLOW DIAGRAM OF RETIREMENT PROCEDURE FOR POLICE STAFF**



**APPENDIX 3**  
**FLEXIBLE RETIREMENT**

The flexible retirement procedure detailed in this Appendix of the Retirement Policy applies only to Police Staff who are members of the Local Government Pension Scheme (LGPS). The scheme is administered by Buckinghamshire County Council. Pension information and advice can be obtained by accessing their website [www.buckscc.gov.uk/pension](http://www.buckscc.gov.uk/pension) or by telephone on 01296 383755

The CRA for Police Staff is 65, however employees who are members of the LGPS may request Flexible Retirement. Members who have reached the age of 50 may take flexible retirement drawing their pension and lump sum whilst continuing to work for fewer hours and/or at a reduced pay level.

**Implications of Flexible Retirement**

If flexible retirement is taken from the age of 60 onwards and the member satisfies the 85 year rule, (the age of the member and the number of years service must add up to 85) benefits will not be reduced and there will be no cost to the organisation.

In cases of flexible retirement from 60 onwards which do not satisfy the 85 year rule and all cases of flexible retirement before the age of 60, even where the member satisfies the 85 year rule pension benefits accrued and paid will be subject to a reduction. Both the pension and the lump sum will be reduced according to the number of years the employee retires early (please see table below). In the case of flexible retirement the employee bears the entire cost of taking the pension early, in the past the organisation bore the cost.

When a member chooses to opt for flexible retirement, in spite of the fact the member will take their pension and lump sum early, they will remain in the pension scheme by accruing a second pension based on the reduced hours and/or grade. These benefits will become payable at 65, should the member choose to remain working beyond the age of 65, the benefits will be payable on retirement or at least one day before the member's 75<sup>th</sup> birthday. It is not possible to remain in the pension scheme beyond the age of 75. Members will be covered for all pension benefits such as ill health retirement and death in service in the second pension record. In the same way as with their previous pension, members will also be able to buy added years or pay Additional Voluntary Contributions.

## **Requesting Flexible Retirement**

A request for Flexible Retirement can be made for either a reduction in working hours or a reduction in grade.

### Reduction in Working Hours

Employees wishing to apply for a reduction in working hours should in the first instance make a flexible working request using the Flexible Working for Police Officers and Police Staff policy.

At the same time the employee should contact the Employment Relations team at Headquarters to request a pension quote from the LGPS, to ascertain their pension entitlement.

Having received the pension quote and agreement to the request for flexible working, the employee should contact their HR/Personnel Department who will amend the contract of employment accordingly and ensure that the Finance Department is aware of the changes so that the existing pension can be paid and a new pension started.

### Reduction in Grade

Employees wishing to retire flexibly by reducing their grade should apply for a suitable vacant post in the usual way. At the same time the employee should contact the Employment Relations team at Headquarters to request a pension quote.

Once the employee has secured a suitable post at a lower grade and is happy with the pension quote, the HR/Personnel Department will amend the contract accordingly and the Finance Department will arrange for the existing pension to be paid and a new pension to be started.

## **Pay**

Employees taking flexible retirement options resulting in their working reduced hours will be paid on a pro rata basis, according to the number of hours worked. Those moving to a lower graded post will receive payment appropriate to the new grade.

## **Continuous Service**

Continuous service will be preserved despite taking flexible retirement provided the employee remains in employment without a break in service.

## **Annual Leave**

Where flexible working options are adopted resulting in reduced hours, leave entitlement will be calculated on a pro rata basis. Where the new post has

**NOT PROTECTIVELY MARKED**

been taken up the new annual leave entitlement (relating to grade and years continuous service) will apply.

Flexible retirement applies to Police Staff only. **Reduction Factors in the LGPS.** The updated LGPS early retirement reduction factors are as follows:

	Percentage Reduction		
Years Early	Retirement Pension		Lump Sum
	Men	Women	Both Sexes
0	0%	0%	0%
1	6%	5%	2%
2	11%	10%	5%
3	16%	15%	7%
4	20%	19%	9%
5	24%	23%	12%
6	28%	27%	14%
7	32%	30%	16%
8	35%	33%	18%
9	38%	36%	20%
10	41%	39%	22%
11	44%	42%	24%
12	47%	45%	26%
13	50%	47%	27%
14	52%	49%	29%
15	54%	51%	31%

**Example 1**

**A man with 20 years full time service, aged 55 is granted flexible retirement linked to a reduction in hours of 50%. On a salary of £20,000 the benefits are as follows: -**

**He could satisfy the 85-year rule at age 60, age 60 is his retirement age, and he is therefore retiring 5 years early.**

**Annual pension**

$$20 \text{ years} \times £20,000 \times 1/80 = £5,000$$

less actuarial reduction 24% = £1,200  
Total pension payable = £3,800

**Lump sum**

20 years x £20,000 x 3/80 = £15,000  
less actuarial reduction 12% = £ 1,800  
Total lump sum payable = £13,200

Survivor's pensions are not affected by the actuarial reduction and remain at 50% of the annual pension.

The member would also be in receipt of a salary based on 50% of full-time, equating to £10,000, his annual income would therefore be £13,800

**Example 2**

**A woman with 10 years full time service, aged 55 is granted flexible retirement linked to a reduction in hours of 1 day per week. On a salary of £25,000 the benefits are as follows: -**

**She cannot satisfy the 85-year rule, her retirement age is age 65, and she is therefore retiring 10 years early.**

**Annual pension**

10 years x £25,000 x 1/80 = £3,125.00  
less actuarial reduction 39% = £1,218.75  
Total pension payable = £1,906.25

**Lump sum**

10 years x £25,000 x 3/80 = £9,375  
less actuarial reduction 22% = £2,062.50  
Total lump sum payable = £7,312.50

Survivor's pensions are not affected by the actuarial reduction and remain at 50% of the annual pension.

The member would also be in receipt of a salary based on 4 days a week, i.e. 80% of full-time, equating to £20,000, her annual income will therefore be £21,906.25

**Example 3**

**A man with 30 years full time service, aged 60 is granted flexible retirement linked to a reduction in hours of 50%. On a salary of £20,000 the benefits are as follows: -**

**He is age 60 and satisfies the 85-year rule, age 60 is his retirement age, and he is therefore not retiring early.**

**Annual pension**

30 years x £20,000 x 1/80 = £7,500  
less actuarial reduction 0%= £nil  
Total pension payable = £7,500

**Lump sum**

30 years x £20,000 x 3/80 = £22,500  
less actuarial reduction 0%= £nil  
Total lump sum payable = £22,500

The member would also be in receipt of a salary based on 50% of full-time, equating to £10,000, his annual income would therefore be £17,500

**Example 4**

**A woman with 10 years full time service, aged 62 is granted flexible retirement linked to a reduction in hours of 1 day per week. On a salary of £25,000 the benefits are as follows: -**

**She cannot satisfy the 85-year rule, her retirement age is age 65, and she is therefore retiring 3 years early.**

**Annual pension**

10 years x £25,000 x 1/80 = £3,125.00  
less actuarial reduction 15% = £ 468.75  
Total pension payable = £2,656.25

**Lump sum**

10 years x £25,000 x 3/80 = £9,375.00  
less actuarial reduction 7%= £ 656.25  
Total lump sum payable = £8,718.75

Survivor's pensions are not affected by the actuarial reduction and remain at 50% of the annual pension.

The member would also be in receipt of a salary based on 4 days a week, i.e. 80% of full-time, equating to £20,000, her annual income will therefore be £22,656.25

**Voluntary take-up of a lower graded post**

Pension benefits will be based on all service and pensionable pay accrued up to the date of the re-grade, these benefits will be payable with reductions as per the table at appendix 1.

The member will start a second pension record based on the lower pay.

**Using the previous example 1, if the member remained as whole time but applied for flexible retirement and took up a lower graded post of say £15,000 per year, benefits could be paid as follows: -**

**Annual pension**

20 years x £20,000 x 1/80 = £5,000  
less actuarial reduction 24% = £1,200  
Total pension = £3,800

**Lump sum**

20 years x £20,000 x 3/80 = £15,000  
less actuarial reduction 12% = £ 1,800  
Total lump sum = £13,200

Survivor's pensions are not affected by the actuarial reduction and remain at 50% of the annual pension.

The member would also be in receipt of a salary of £15,000, his/her annual income will therefore be £18,800.