

Flexible Retirement



- Has the member attained age **55**?
- **No** – not eligible for flexible retirement
- If the answer is **Yes** and the member satisfies one of the following criteria...
 - The member has met the two years “vesting period”*
 - or
 - The member is in receipt of an LGPS pension or have a deferred LGPS pension record

Flexible retirement is an option

What is flexible retirement?

A way for the member to ease into retirement by accessing their pension benefits (drawing some or all of them) and continuing to work.

Your employee may ask you if they can flexibly retire by **reducing the hours worked, moving to a less senior position or both**.

Important: This is an employer discretionary policy.

Flexible retirement policy

All employers should have a LGPS discretion policy, which includes a policy on flexible retirement.

The policy may state what would constitute a permanent reduction in hours/grade by the member, your organisational stance regarding any potential ERCs (early retirement costs) and any other criteria you may wish to include such as business needs.

NB: The LGPS Regulations do not stipulate how much the hours should reduce by or the amount of reduction in pay or grade.

Before you grant flexible retirement, we recommend you:

- should always run an estimate through the Employer Web Portal to assess any potential ERCs to yourselves; and
- have a flexible retirement policy that you review when appropriate.

Where you can, it may also be prudent to check with the member to make sure that the estimate you have run considers all the member’s appropriate pension records, as it could affect the ERCs if not included.



West Midlands Pension Fund

*Vesting period meaning: www.lgpsmember.org/more/vesting.php