

## Flexible Retirement Process

### Approval

Under the pensions regulations and subject to the employers' consent, once an employee reaches age 55, they may remain in employment and draw their retirement benefits. However, there are certain conditions that must be met:

- Your employer must agree to the release of your pension.
- You must reduce your hours, and/or your job grade. The specific reduction required is not set out in the regulations, but instead must be determined by your employer, who must specify the requirements within their published flexible retirement policy.

### Estimate Requests

As Flexible Retirement is **subject** to your employer's approval, we are unable to provide estimates or confirm retirement on grounds of flexible retirement to you directly. All requests must come from your employer.

You should talk to your line manager **and** your employer's Human Resources Department for details of:

- If your employer will consider your application for flexible retirement.
- As part of your application your employer will contact the Staffordshire Pension Fund to obtain the pension cost for early payment of your pension.
- If your employer approves your flexible retirement application, they will authorise the Staffordshire Pension Fund to provide you with your pension options



**Please note we cannot issue you with pension options without the approval of your employer**

### **Once Approved**

- You and your employer will agree a date of the commencement of your flexible retirement pension.
- Your current period of pension service will end, but your employer will automatically enrol you into the Local Government Pension Scheme (LGPS) based on your new terms and conditions of employment. You do have the ability to opt out of the LGPS in your new contract of employment

### **Payment of your Pension Benefits**

For the Staffordshire Pension Fund to process your pension benefits and arrange payment the following must happen.

#### **Action by Employer**

- Your employer must complete and return a leaver form which includes your salary details for the current year up to the date you changed your contract of employment.

***Please note that due to the timing of your employer's payroll your employer may not be in a position to submit a completed leaver form until circa 6-8 weeks after your change of contract of employment has taken place.***

#### **Action by the Staffordshire Pension Fund**

On receipt of the fully completed leaver form from your Employer, the Staffordshire Pension Fund will arrange the following:

- Provide you with your pension options (you must complete the pension option form and return to the Fund)
- Bank details form for you to complete and return to the Fund



- Lifetime Allowance Declaration – completion and return to the Fund is required by HM Treasury and Customs. This form will ask you to provide details of all other pensions (except state pensions), you are in receipt of or due to receive in the future
- Copy of your birth certificate, plus if applicable copies of your marriage, civil partnership certificates and spouses birth certificate to be forwarded to the Fund.
- Nomination of Beneficiary Form for the lump sum death grant form to be complete and return to the Fund
- General Data Protection Regulations Consent Form to be complete and return to the Fund

***From receipt of the completed leaver form to the Fund issuing the above documentation you should allow 10 working days***

### **Action by You**

You must complete and sign the required forms and certificates and return to the Staffordshire Pension Fund in the envelope provided.

### **Payment of your Monthly Pension and Lump Sum**

On receipt of your signed and completed forms together with the relevant birth certificates etc. The Fund will:

- Arrange payment of your tax-free pension lump sum into your bank / building society (please allow 13 working days from the date the Fund receives your completed forms)
- Arrange payment of your monthly pension will take place on the next available pay date, together with any arrears of pensions.
- Write to you confirming the tax-free pension lump sum paid into your bank/building society, together with information regarding payment of your monthly pension.



## **Overall Timescales**

As you will note from the date you change your contract of employment, there are several steps/ actions that need to take place before you will receive payment of your monthly pension and tax-free lump sum. **You should allow between 2 – 3 months for the process to be completed.**

Under the pension regulations, if payment of your tax-free lump sum is made more than one month after your retirement date, the Fund will pay interest of 1% per annum above the Bank of England Base Rate calculated for each day the lump sum is delayed.

The monthly pension attracts no interest for late payment. The exception to this is if the annual pension is not paid within the first year following your retirement date.

**Please note your monthly pension is deemed to be taxable income and will be subject to tax deductions in accordance with the HM Revenue and Customs Rules.**

### **Further information**

If you require further information about the areas covered by these notes, you can get in touch as follows:



[www.staffspf.org.uk](http://www.staffspf.org.uk)



[pensions.enquiries@staffordshire.gov.uk](mailto:pensions.enquiries@staffordshire.gov.uk)



Staffordshire Pension Fund, 2 Staffordshire Place, Tipping Street, Stafford, ST16 2DH



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**If a copy of this information is needed in large print,  
Braille,  
another language or on cassette or disc, please contact  
Pensions Services**

