

Early Retirement Policy

This policy sets out the school's approach to early retirement, both on the grounds of efficiency and at the request of the employee. Information about the Flexible Retirement Policy (support staff only) can be found on the [extranet](#).

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Where the headteacher is the employee concerned, any reference to the headteacher in this policy should be replaced with the chair of governors.

1 Local Government Pension Scheme members

1.1 Eligibility

To apply for early retirement, the employee must meet the following criteria set out below:

- Have 2 years' Local Government Pension Scheme (LGPS) membership*, otherwise a refund of contributions or a transfer payment to another pension scheme will be payable;
- Be aged 55 years or over.

** if an individual already has another LGPS period of membership or has had a transfer in of pension benefits, entitlement to a pension may apply with less than 2 years LGPS membership.*

1.2 Access to benefits

Members of the LGPS can choose to retire and draw their pension from age 55 without seeking the employer's consent. Under these circumstances, the pension benefits the individual receives will be reduced to take account of the fact that they are likely to be paid for a longer period. The amount they are reduced by depends on how early they are drawn.

Where an employee chooses to retire and draw their pension between ages 55 and 59 years, the early retirement reductions applied to their pension benefits may be significantly higher than the reductions that would apply if they waited until age 60 years. This is of particular importance if the employee has significant membership of the LGPS before April 2014.

It is therefore important that employees obtain a benefit estimate before making the decision to leave employment and draw their pension.

More information about retiring under the LGPS can be found here:

<https://www.lgpsmember.org/tol/thinking-leaving-when.php>

1.3 Early retirement with redundancy

Where an employee's post is made redundant and they meet the criteria set out in section 2.1, their main, active benefits will be payable immediately without any early retirement reductions.

Any additional pension paid for by Additional Pension Contributions (APCs), Additional Regular Contributions (ARCs) or Shared Cost Additional Pension Contributions, will be paid at a reduced rate if the retirement occurs before their Normal Pension Age.

Previously deferred pension benefits will not be payable in a redundancy situation without any early retirement reductions.

More information regarding redundancy pay can be found in the [Redundancy Pay Policy](#) on the extranet.

2 Teaching Pension scheme members

2.1 Eligibility

To apply for early retirement, the employee must meet the following criteria set out below:

- Have 2 years' service completed after 5 April 1988 or five years pensionable service completed at any time;
- Be aged 55 years or over;

Employees must apply directly to Teachers Pensions.

2.2 Access to benefits

It is possible for members of the Teachers' Pension to take their benefits before reaching Normal Pension Age (NPA) provided they are age 55 or over and are leaving service. Benefits will be Actuarially Adjusted Benefits (AAB) to reflect that they're being paid before the NPA has been reached. The school/council is unable to support premature retirement (payment of unreduced benefits) from the Teachers Pension Scheme due to the costs involved.

If the employee is still in pensionable service, the employee must receive agreement from the employer to be able to leave and receive their pension benefits. If the employer does not agree, they cannot withhold their consent for more than six months.

More information about retiring under the Teachers' Pension scheme can be found here: <https://www.teacherspensions.co.uk/members/planning-retirement.aspx>.

3 Notice

Where an employee has made the decision to retire early and meet the qualifying conditions, they will be required to give notice in accordance with their contract of employment.

Tax and National Insurance contributions are payable on notice pay, regardless of whether it is worked or paid in lieu. To ensure that the council is HMRC compliant, employees leaving under the Early Retirement policy are normally required to work their full contractual period of notice.

4 Exercise of employer discretion under the LGPS regulations

Under Regulation 31 - Power of employing authority to award additional pension, the school will only consider awarding additional pension where it is in the school's financial interests to do so.



This policy has been developed by the HR Advice and Support team, based on current legislation and best practice. If you would like any advice on the application of this policy, please do not hesitate to contact the team:

Telephone	03000 266688
Email	hradvice@durham.gov.uk

Further support can be accessed by contacting (subject to SLA buy in):

Payroll and Employee Services	pesschools@durham.gov.uk
Occupational Health	occhealthadmin@durham.gov.uk
Health and Safety	hsteam@durham.gov.uk
Employee Assistance Programme	www.healthassuredeap.com Username: durham Password: council 0800 716017

Author	Version	Last review	Next review
LK	v 1.2	September 2021	September 2023

The school complies with all relevant statutory obligations. The school privacy notice provides more specific information on data collected and how it is handled, a copy of which can be accessed from the school. For more information please contact the school directly.

If you have any concerns about how your data is handled, please contact either the school Data Protection Officer (details available from the school office), or the Information Commissioner's Office.