

THE LONDON BOROUGH OF SOUTHWARK PENSION FUND

FLEXIBLE RETIREMENT

YOUR PENSION CONNECTION



This is a summary of Southwark Council's flexible retirement policy, which is part of The London Borough of Southwark Pension Fund (the Fund).

While the Fund has tried to ensure the accuracy of this guide, it is not a legal document and it does not confer any rights to the benefits outlined within it. The Fund is subject to UK legislation. Any changes to the legislation that come into effect after April 2021 may not be accurately reflected in this guide.

In addition to the guide, the Fund website www.southwarkpensions.co.uk contains more information. Southwark Pension Services are also here to help. You can contact them on:

✉ lbspensions@southwark.gov.uk

☎ 020 7525 4924

🏠 Southwark Pension Services
Southwark Pension Fund
PO Box 7606
WS10 1EJ

How to use this guide

You can navigate around this interactive guide by:

- Using the tabs at the bottom of each page to switch to the section that applies to you; or
- Clicking or tapping the previous and next buttons at the bottom of each page. You can also revisit this introduction by clicking on the home button.

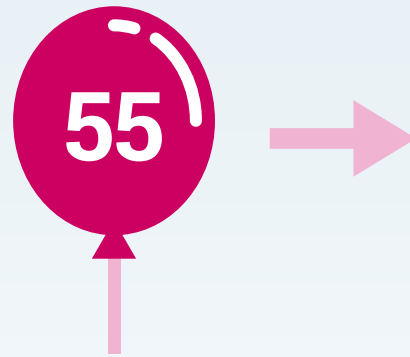




Background

The Turner Commission recommended the decision to allow flexible retirement. This is where each authority has the discretion to allow employees from the age of 55 years old to apply for it.

It's important to note that a business case must be made to demonstrate that service delivery can be maintained. Therefore, it's not an automatic right of the employee to be granted approval of flexible retirement.



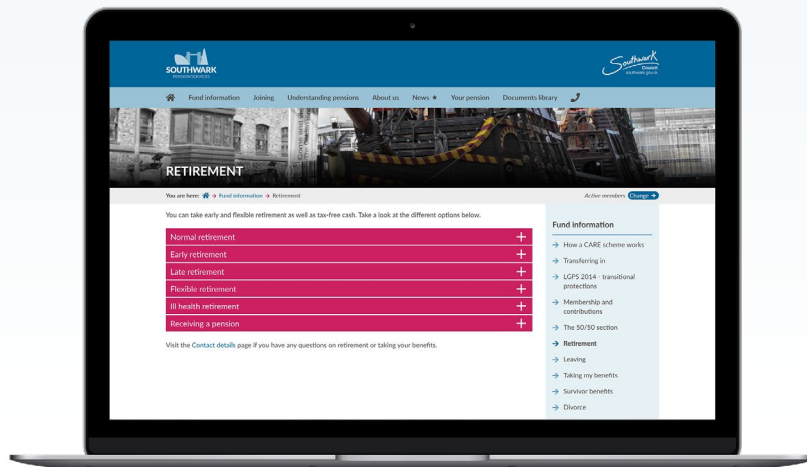
What is flexible retirement?

If you're still working, you are able to take the benefits from your pension to give yourself an additional income. This means that you don't have to retire or stop working before taking your pension benefits. It's the first stage of gently easing into retirement.

Subject to your employer's consent, you can reduce your working hours or move to a less senior position provided you meet the two-year vesting period in the Scheme.

You can decide to take some or all of the pension benefits that you have built up over the years, but you must make sure your employer has a flexible retirement policy.

If your employer agrees, you can still receive your salary from your job but on reduced hours or grade and continue to pay into the LGPS, building up further benefits in the Scheme.



← Visit www.southwarkpensions.co.uk/fund-information/retirement and click on 'Flexible retirement' for more.



Flexible retirement might not be for everyone but there are some great benefits.

It enables you to have a smoother transition from work into retirement.

1

Flexible retirement removes the 'cliff edge' of going from working full time to not working at all, which some worry about.

2

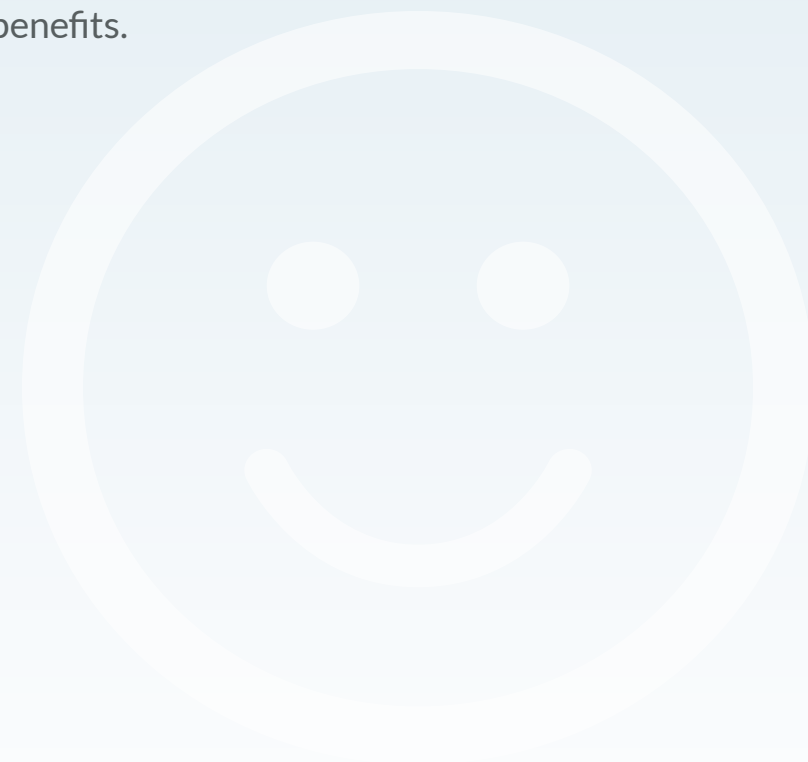
People sometimes struggle to adjust, especially in this difficult financial climate.

3

Encourages retention of key experienced employees who might leave their employer, take their pension and take up employment elsewhere.

4

Please be aware that pensions are taxed as earned income and as such, is in addition to any other income that you are receiving and you should consider your tax situation before proceeding.



If you wanted to apply for flexible retirement, we've provided a step-by-step guide of how it works.

1 You need to apply to be considered for flexible retirement ideally three months before you intend to receive your benefits.

2 Line manager contacts HR to discuss the likelihood and impact to the service should the business case be agreed.

3 The business case is submitted to HR by the line manager with a proposed flexible retirement date and details of reduction of hours or grade.

4 HR submits a copy of the business case to the pensions team to request a flexible retirement estimate.

5 Pensions admin calculates the estimate and completes the relevant section on the business case before returning to HR.

6 HR seeks a decision from the relevant Head of Service.

7 If the decision isn't approved, HR will write to you.

8 If the decision is approved, the business case should be signed and dated by you, HR and Head of Service. A copy is then returned to the pensions team to progress the actual flexible retirement, by sending you a letter detailing benefits payable, options available and forms to complete.

9 You should complete the forms and provide additional required documentation (e.g. birth/marriage/civil ceremony/divorce certificates) and choose the required benefit option.

10 Pensions admin will ensure the documents are completed correctly and then will set up and pay the benefits accordingly. If there is a delay for whatever reason, the pension will be backdated to the flexible retirement date and arrears will be paid.



Will benefits be reduced?

If you decide to take flexible retirement before your Normal Pension Age (NPA), the benefits will be reduced for early payment of pension benefits and this depends on how early they're taken.

If you were a member of the LGPS at any time between 1 April 1998 and 30 September 2006, some or all of the benefits that are paid early could be protected from the reduction if you are a Rule of 85 protected member. You can find out more at www.lgpsmember.org/more/eightyfive.php

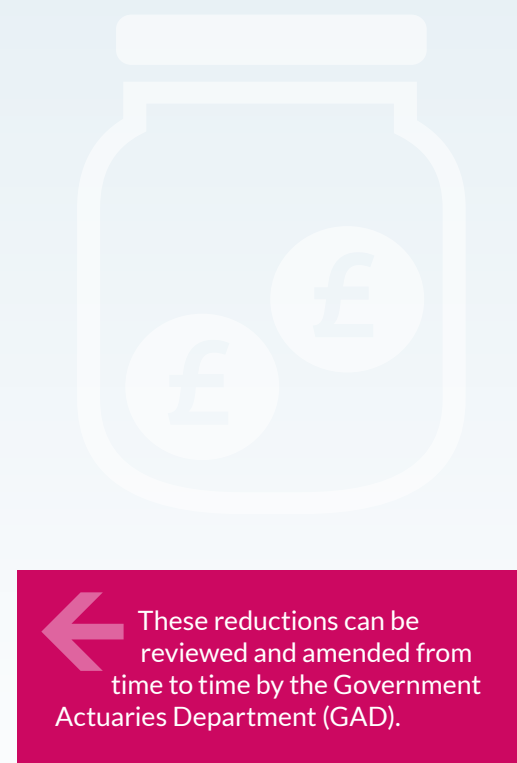
If you receive your flexible retirement payment, then the benefits won't be subject to a reduction or suspension for re-employment whilst you're employed by the employer that allowed you to take flexible retirement.

If you decide to take flexible retirement after your NPA, the pension will be increased for each day the payment of the pension is delayed beyond your NPA and this reflects the late payment of benefits.

Early retirement reductions for 2020

The reductions for early retirement are as follows:

Number of years paid early	Pension reduction	Lump sum (for membership to 31 March 2020)
0	0%	0%
1	5.1%	2.3%
2	9.9%	4.6%
3	14.3%	6.9%
4	18.4%	9.1%
5	22.2%	11.2%
6	25.7%	13.3%
7	29.0%	15.3%
8	32.1%	17.3%
9	35.0%	19.2%
10	37.7%	21.1%
11	41.6%	N/A
12	44.0%	N/A
13	46.3%	N/A



← These reductions can be reviewed and amended from time to time by the Government Actuaries Department (GAD).



There's more help out there if you need it. There are a number of organisations that can provide you with help and advice about your pension savings. Some of these are listed below:

The Pensions Advisory Service (TPAS)

TPAS is an independent voluntary body that provides free help and advice to members and other beneficiaries of occupational and personal pension schemes. TPAS is available at any time to assist members and beneficiaries with any pension query they may have or any difficulty they have failed to resolve with the trustees or administrators of a scheme.

📞 0800 011 3797

📄 You can complete an enquiry form at www.pensionsadvisoryservice.org.uk/contacting-us/online-enquiry-form

📄 www.pensionsadvisoryservice.org.uk

The Pensions Ombudsman (TPO)

TPO deals with all complaints and disputes. If TPAS guidance cannot resolve your problem, you can make a formal application to TPO setting out your complaint. Please note, anyone using TPO's 'Early Resolution Service' will not be expected to have first used the LGPS' IDRPs if the parties are happy with that.

TPO is impartial and looks at all the facts without taking sides. It has legal powers to make decisions that are final, and binding and enforceable in Court. There is no charge for using TPO as it is funded by grant-in-aid, paid by the DWP.

📞 0800 917 4487

📍 10 South Colonnade,
Canary Wharf,
London E14 4PU

📄 www.pensions-ombudsman.org.uk

Local Government Pension Scheme (LGPS) regulations

All LGPS regulations are available for inspection upon request.

📍 Pension Services
2nd Floor
160 Tooley Street
London SE1 2QH

📄 www.lgpsmember.org

