



SHREWSBURY TOWN COUNCIL

PENSIONS AND RETIREMENT POLICY

AIMS OF THE POLICY

The Town Council is committed to having a flexible approach to retirement and recognises the benefits that it can have for both employees and the Council.

We also provide for early and flexible retirement as part of enhancing the Council's employment policies. Shrewsbury Town Council's Retirement Policy meets the requirements of the Equality Act 2010.

A list of the Town Councils pension discretions policies are available on the pension fund website.

ROLES AND RESPONSIBILITIES

Employees are responsible for deciding whether or not they wish to be a member of the pension scheme and for taking the necessary actions to request the transfer of any other scheme membership as outlined in this policy. They are responsible for informing their managers of planned retirement at least one month before they intend to do so. They are also responsible for following the relevant processes outlined below in respect of pension transfers, early retirement or flexible retirement.

PENSIONS

Joining the Pension Scheme and Contribution Rates

Employees will automatically become a member of the pension scheme, unless one of the following applies:

- Employed as a casual worker (unless they have mutuality of obligation, whereby the employer is obliged to provide work and the employee obliged to take it)
- Whereby the offer of employment and subsequent contract do not exceed three months
- Where the employee has written to the employer to confirm they do not want to be a member of the pension scheme.

Effective from 1 April 2022, employees' pension contribution are based on the following table:

Pay bands	Contribution rates
Up to £15,000	5.50%
£15,001 to £23,600	5.80%
£23,601 to £38,300	6.50%
£38,301 to £48,500	6.80%
£48,501 to £67,900	8.50%
£67,901 to £96,200	9.90%

£96,201 to £113,400	10.50%
£113,401 to £170,100	11.40%
£170,101 or more	12.50%

The figures detailed in the table above will increase on 1 April each year by the rise in the CPI figure.

The contribution band applicable for employees will be assessed each April, any changes in pay received could result in a change of contribution band.

Members of the scheme can elect to reduce contributions by half in return to build up half the normal pension benefits. The 50/50 form can be obtained from the pension scheme administrator and is designed a short term option when times are tough.

In addition to pensionable contributions, an employee is able to purchase additional scheme pension in steps of £250 per annum, up to a maximum of £5,000. Advice on this is available from the Pensions Service.

TRANSFERRING EXISTING PENSIONS INTO THE LOCAL GOVERNMENT PENSION FUND

Employees may choose to transfer other pension rights into the Local Government Pension Scheme. Advice on this is available from the pensions service at Shropshire Council.

The request to transfer pension rights should normally be made within 12 months of the employee starting employment with Shrewsbury Town Council.

In exceptional circumstances, where an employee can show good cause, they may seek an extension to the first twelve months by up to a further 12 months before making a decision on making an application to transfer their pension rights subject to confirmation from their line manager that they are not likely to retire, or be subject to ill-health retirement in the near future. In all instances, the employee should write to the Pensions service requesting an extension to the twelve months, detailing any extenuating circumstances.

AUGMENTATION

The Local Government Pension Scheme Regulations permit employers to give added years pension (augmentation) to employees.

Augmentation will be considered in exceptional circumstances only.

Augmentation will also be permitted in accordance with the Redundancy and Compensation Policy.

RETIREMENT

Early Retirement

Early retirement can be taken anytime from age 55 (age 57 from 2028 with protection exceptions) and no employers consent is required as long as you have met the two-year vesting period.

However, the pension is normally reduced if paid before normal pension age, as its being paid for longer. The reduction is worked out in line with guidance by the Secretary of State. It is based on the length of time (in years and days) that you retire early. The latest percentage reductions are shown in the table below:

Years early	Pension reduction	Lump sum reduction (for membership to 31 March 2008) %
0	0.0%	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

Release of pension in the circumstances of voluntary redundancy or efficiency is covered in the Redundancy and Compensation Policy.

FLEXIBLE RETIREMENT

Under the Flexible Retirement arrangements employees who are members of the Local Government Pension Scheme may request a reduction in their hours or move to a lower graded post and also draw their pension whilst continuing to work, under Regulation 18 of the pension scheme regulations. This will be subject to management consent and will only be considered where there is a justifiable business case and the cost, if any, of early release of pension is managed within the section's budget.

To be considered for this, employees must:

- be aged 55 and have been employed for more than 2 years
- work in a post or area of work where there are difficulties in recruiting; there are skill shortages or work of a particular nature which requires their skills;

Employees who request a reduction in their hours or in the grade of their post should use the procedure outlined in the 'Flexible Working Scheme'.

Early release of pension may mean that pension benefits are reduced. Employees should therefore obtain information on their pensionable benefits which would apply in these circumstances before submitting a request. This is available from the Pensions Service.

The decision to permit an employee to receive immediate payment of their pension under flexible retirement will be considered by the Town Clerk, for submission for final approval by the Personnel Committee.

PENSIONS APPEALS

In accordance with Regulation 58 of the Local Government Pension Scheme (Administration) Regulations 2008, the Council is required to draw all employees' attention to the fact that, if they are dissatisfied with any decision relation to their rights or liabilities under the Scheme, they may make an application to the Town Clerk, the person appointed for resolving disputes. An appeal must be made within six months of the event.

If employees remain dissatisfied, they may apply for a reconsideration of the decision to the Shropshire County Pension Fund. The final level of appeal would be to the Pensions Ombudsman.

In all instances, all initial concerns, or matters whereby an employee is not in agreement, should be referred to the Town Clerk.

FURTHER ADVICE ON PENSIONS

Advice and information on the Local Government Pension Scheme (LGPS) are available from the Pensions Service who can be contacted on 01743 252130 or at pensions@shropshire.gov.uk Further useful information can also be found at www.shropshirecountypensionfund.co.uk

Approved by Personnel Committee	28 September 2023
Adopted by Council	
Review Date	September 2024