

Dorset County Pension Fund

How to do...

Flexible retirement

What is flexible retirement?

A flexible retirement helps a member to move gradually into retirement.

Members can take flexible retirement:

- from age 55 onwards
- if they have met the two-year vesting period, and
- only if the employer agrees.

Under flexible retirement, members reduce hours or move to a less senior position and take some or all of the pension benefits built up.

Employer Costs?

- ✓ Complete an estimate request on the employer portal
- ✓ If member would like their pension details complete an Member Consent form
- ✓ Only information regarding employer cost will be sent to the employer unless member has indicated otherwise on form

Capitalised costs will be applicable when flexible retirement causes pension strain

This is usually when a member is aged between 55 and 60 but could be up to State Pension Age.

Always get an estimate!

Employer Decision

It is employer's decision to allow or not the flexible retirement.

Employer discretions policy is needed

- ? Reduction amount
- ? Allow to go back to original hours/grade – when

Positive for employer

- ✓ Reduced pay
- ✓ Retained knowledge and skills
- ✓ Happy staff!

What does this mean to the member?

The member will reduce hours or grade and continue working.

They will receive pension built up to date of reduction – no enhancement to pension and pension may be reduced for early access

They continue working for employer at lesser hours or grade

They continue in LGPS with new pension record from date of hours / grade change unless opt out.

Employer process

After the flexible retirement is agreed

- Complete a leaver form on the portal
- Select flexible retirement as reason for leaving
- Date of flexible retirement is the day before the hours/grade decreases
- Contract continues on same payroll/post number (fund removes the payroll/post number from old pension record)
- Invoice for any capitalised cost will be sent to employer

Further information?

<https://dorsetpensionfund.org/forms-and-publications/flexible-retirement-guide/>

<https://www.lgpsmember.org/your-pension/planning/taking-your-pension/>

Any questions?