

28 SEPTEMBER 1999

REVIEW OF EARLY RETIREMENT AND EMPLOYMENT STABILITY POLICIES - SUMMARY

Review of Early Retirement and Employment Stability Policies and Procedures

This report gives an overview of the background to the review of the policies. The recommendations contained within this report (paragraph 3), together with the issues and choices relating to them (paragraph 5) are summarised below.

Early Retirement Policy

This is the proposed policy. It brings together, in writing, existing practices with regard to early retirement and clarifies procedures. All changes from existing Council practice are given under Issues and Choices, paragraph 5 of the covering report. The recommendations relating to this policy are given at paragraph 3.1 (a) of the covering report and are summarised below.

Employment Stability Policy

This is the proposed policy. It has been updated to reflect current legislation regarding redundancy and brings together existing practices with regard to human resource planning, redeployment and related issues. The recommendations relating to this policy are given at paragraph 3.1 (b) of the covering report and are summarised below.

SUMMARY OF ISSUES AND RECOMMENDATIONS OF REPORT

1. Comments regarding the procedure and decision making process (report to Personnel Committee 29 June 1999, minute P7/00 refers) are to be submitted to the Policy and Resources Committee. *Paragraph 3*
2. **Pension expert:** There is no designated in-house expert. The Council is reliant on BCC Pensions Unit. *Paragraphs 5*
3. **Age restriction:** Current practice is to consider applicants for early retirement over age of 50, in line with LGPS. This could be raised, therefore restricting the number of employees eligible/reduce costs, particularly the strain on the pension fund but would also limit the ability to manage change. *Paragraph 5*

Recommendation: That the Authority's current practice of considering early retirement cases from 50 years of age continues, with no further age restriction imposed. *Paragraph 3*

4. **Flexible working:** Encourage employees to voluntarily reduce their hours as they near retirement age. (Further investigation/expert advice needed). *Paragraph 5*

Recommendation: That further investigation be undertaken regarding the feasibility and implications of a voluntary reduction in hours for employees nearing retirement age and using this as a management option. *Paragraph 3*

5. **Reduction of added years:** Currently up to 6 2/3 years can be awarded in cases of early retirement on grounds of redundancy or efficiency (up to 10 years in exceptional cases). Approved Oct '98. *Paragraph 5*

Recommendation: That no change be made to the policy adopted in October 1998 of awarding up to 6 2/3 added years, dependent upon length of service, in cases of early retirement on grounds of efficiency or redundancy (up to 10 years in exceptional cases). *Paragraph 3*

6. **Pay back period:** Introduce restriction whereby pay back period including pension is five years or the period to the retiree's normal retirement age (65 years old), whichever is the lower. *Paragraph 5*

Recommendation: That a maximum payback period for the cost of pension strain of 5 years or the period to the retiree's normal retirement age, which ever is the lower, be adopted. *Paragraph 3*

7. **Compassionate Grounds:** Current criteria for early payment of benefits on compassionate grounds to be used as criteria to waive reduction on compassionate grounds made under '85 year rule' in exceptional circumstances. *Paragraph 5*

Recommendation: That the criteria for the payment of benefits on compassionate grounds be adopted. *Paragraph 3*

8. **Exceptions Panel:** Propose that exceptions panel, consisting of independent SD, Treasurer, HHR and SD of service area of employee be set up to consider issues that fall outside the policy or where SD deems exceptional circumstances apply. This would include the award of added years, compassionate grounds, payback period. *Paragraph 5*

Recommendation: That an Exceptions Panel be set up to consider any individual case which falls outside the proposed policy or when exceptional circumstances are deemed to apply, replacing the existing Special Circumstances Panel. *Paragraph 3*

9. **Consistency check:** Propose that confirmation from HHR be contained within each report to service committee that each individual case meets the criteria of adopted policy and from the Treasurer that all financial implications are given, or the report states exceptional circumstances. *Paragraph 5*

Recommendation: That prior to submission to the Service Committee, the Head of Human Resources must confirm that the application meets the criteria laid out in the Council's policy. *Paragraph 3*

10. **Human Resource Planning:** Employment Stability policy has been widened to include guidance on means of avoiding job losses and easing the process of change. *To note Paragraph 5.*
11. **Salary Protection:** To note existing protection arrangements. *Paragraphs 5 and 3*
12. **Fixed Term Contracts:** in line with Employment Relations Act propose all non-permanent employees with more than one year's service to be treated in line with permanent members of staff. *Paragraph 5*

Recommendation: In line with proposed legislation, now taken on board, when a fixed term contract of one year or more comes to an end the employee be given prior consideration for vacant posts within the Council along with any permanent employees who are deemed to be in a redundancy situation. *Paragraph 3*

13. **Redundancy Pay:** Current practice to vary statutory maximum weekly pay and calculate based on actual weekly earnings. Agreed Oct 98. *Paragraph 5*

Recommendation: To continue to base redundancy payments on actual weekly pay as opposed to the Statutory maximum weekly pay. *Paragraph 3*

14. **Ill Health:** To note early referral to the Council's Occupational Health Practitioner and the current practice not to protect salary if redeployed as a result of ill health. *Paragraphs 5 and 3*