

EAST FARNDON PARISH COUNCIL – PENSION & RETIREMENT POLICY

Provision Of Pensions To Employees

1. Background

Auto-enrolment into pension schemes was introduced in 2017. East Farndon Parish Council currently has one employee – the Clerk – and is required to offer a pension scheme and notify the Pensions Regulator accordingly.

2. Eligibility

- An employee is entitled to be auto-enrolled in a qualifying pension scheme if their annual earnings are over £10,000 per annum;
- The employee has the right to opt into a scheme if their annual earnings are over £5,824 to £10,000;
- They have the right to join a pension scheme if their annual earnings are below £5,824.

The latter situation is currently likely to apply to employees of East Farndon Parish Council, although the Government may reduce the thresholds in the future. If the employee exercises their right to join a pension scheme, the employer (East Farndon Parish Council) **MUST** provide a pension scheme for that employee, but is not obliged to make employer contributions.

3. Qualifying Pension

Historically, Parish Councils were obliged to offer the Local Government Pension Scheme (LGPS), which requires the employer to make contributions. Currently the employee would pay one third of the scheme cost, with the employer paying two thirds. However, Parish Councils are now able to seek another provider of a qualifying pension; for example, the state-run NEST (National Employment Savings Trust) is free to employers to use – although note above a certain threshold employers must make contributions to an employee's pension, currently a maximum of 3%. NEST can be administered on-line.

4. Employers Responsibility

East Farndon Parish Council must write to all employees even if they are not eligible for automatic enrolment, advising of their pension rights and options. As an employer, East Farndon Parish Council must state that you are offering a workplace pension and that the employee can join if they wish. This must be registered with the Pension Regulator.

Retirement Policy

5. Background

East Farndon Parish Council believes that having a “Planned Retirement Date” has benefits for the Council and its staff; it allows staff to plan and prepare for retirement, and also enables the Council to undertake workforce planning and ensure a smooth handover of work to new staff.

There is no longer a normal retirement age - employees are now able to work for as long as they wish. East Farndon Parish Council will take an employee's “Planned Retirement Age” as the date at which an employee reaches “State Pension Age”.

Staff have the right to request to work beyond their planned retirement date. The Council is committed to considering and approving such requests where there is a clear and demonstrable benefit.

This policy details the procedure to be followed when staff are approaching their planned retirement age and how staff can make a request to continue working beyond that date.

This policy does not apply where retirement takes place before the “Planned retirement date”. Where staff wish to leave before their “Planned Retirement Date” they should give the Parish Council as much notice as possible, but in any event no less than the notice required in the contract of employment.

6. Process

This policy applies to all members of staff and comes into effect whenever a staff member is within 6 months of their “Planned Retirement Date”.

Stage 1 – Duty to Inform the Member of Staff

The Staffing Committee of East Farndon Parish Council will write to an employee 6 months prior to their planned retirement age, informing them of their planned retirement date and their right to request to work beyond their planned retirement date.

Stage 2 – Request to Work Beyond Planned Retirement Date

Not less than 3 months before their planned retirement date, staff may submit a written request to the Council to work beyond their planned retirement date stating the reasons they wish to continue to work beyond their planned retirement date and the period they wish to continue working for.

Stage 3 – Process for Consideration of the Request

Following receipt of a written request under Stage 2, the Staffing Committee will arrange a meeting at a mutually convenient date to discuss their request further. This meeting will normally take place within 2 weeks of the written request being received or, where this is not possible, within a reasonable period of having received the request.

The Staffing Council will consider the request to work beyond the planned retirement date and will write to the member of staff, normally within 2 weeks of the meeting having taken place, or as soon as is reasonably practicable, informing them of the outcome of their request. This will be either:

- The request to work beyond the planned retirement date is accepted and employment will be extended for the period requested by the staff member on such terms as may be agreed;
- The request to work beyond the planned retirement date is accepted, but for an alternative time period than that requested by the member of staff. The staff member may appeal against this decision; or
- The request to work beyond the planned retirement date is refused and the basis on which the decision was made. The staff member will therefore retire on their planned retirement date and may appeal against this decision.

Where a request is accepted by the full Council it will be confirmed in writing. The member of staff will continue to be employed by the Council under the same terms and conditions and with the same rights and benefits as they had prior to reaching their planned retirement age, unless otherwise stated. In most situations a revised retirement date will be agreed. Therefore, this procedure will once again come into effect not less than 6 months before the revised retirement date.

Stage 4 – Appeals

Employees have the right of appeal where a request has been refused or accepted for an alternative period. Appeals should be submitted within 2 weeks of receiving the Staffing Committee's decision, or as soon as is reasonably practicable where this is not possible. The appeal should be addressed to the Chair of the Parish Council and be in writing, dated and state the grounds on which the appeal is being made.

Following receipt of a written appeal, the Council will write to the member of staff inviting them to a meeting to discuss the appeal. The appeal will be heard by the full Council. The appeal meeting will normally take place within 2 weeks of the appeal being received, or where this is not possible, within a reasonable period of having received the request.

The member of staff will be informed of the outcome of their appeal within 2 weeks of the meeting. The outcome will either confirm that the appeal has been successful and confirm the date that the employment will be extended to, or if the appeal was unsuccessful explain that the staff member will therefore retire on their planned retirement date with the reasons for the decision.