

Human Resources

Early Voluntary Release Policy

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South Yorkshire
Fire & Rescue
WORKING FOR A SAFER
SOUTH YORKSHIRE

Early Voluntary Release

INTRODUCTION

1. There are a number of circumstances when early voluntary release may be under consideration for an employee. These can relate to the individual situation of an employee or be through the result of organisational change. This policy sets out South Yorkshire Fire & Rescue's (SYFR) application of voluntary release through early retirement and severance arrangements.
2. Where it is decided, in each case, that after taking all considerations into account, early voluntary release is appropriate for sound business reasons, then discretion will be exercised reasonably and objectively with any payments agreed being affordable in both the short and long term.
3. As a member of the Dignity at Work Partnership¹, SYFR is committed to promoting a positive environment where the dignity and respect, to which all employees are entitled, is not undermined. No employee should be treated less favourably on the grounds of race, gender or gender reassignment, disability, sexual orientation, religion or spiritual belief, colour, nationality, national or ethnic origin, marital/parental status, family ties, trade union or political belief, hours worked, or any other reason either directly or indirectly.
4. This policy sets out the arrangements for:
 - Voluntary Early Retirement – Business Efficiency
 - Voluntary Redundancy with Severance
 - Employee Request – Local Government Pension Scheme
 - Local Government Pensions Scheme Discretions

VOLUNTARY EARLY RETIREMENT – BUSINESS EFFICIENCY

5. This is a voluntary scheme unlike redundancy where there are circumstances when a dismissal may be compulsory.
- 5.1 Wholetime Staff
- Employees are allowed to leave their job before normal retirement age. There is usually a reduction in the monthly retirement benefit and possible cost implications to SYFR
- a) Firefighters Pension Scheme 1992 (FPS)

Normal Pension Age for members is 55. If a member chooses to retire before this age, pension is payable immediately provided they have reached age 50 and have at least 25 years service

¹ The Dignity at Work Partnership is a partnership between the Government, Unite (the UK's largest union) and major public and private organisations. For further information on the Partnership see www.dignityatwork.org

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b) New Firefighters Pension Scheme 2006 (NFPS)

An early retirement pension subject to qualifying service would be payable immediately to a member who has reached age 55, but not age 60. Requests for early retirement should be made in writing to the Head of Human Resources and will be considered taking into account the cost to SYFR

5.2 Local Government Pension Scheme (LGPS) – Support Staff and Control

Members aged under 55 who volunteer and are approved for early release will be entitled to preserved benefits. Members aged 55 or over who volunteer and are approved for early release will automatically be entitled to immediate unretduced benefits.

VOLUNTARY REDUNDANCY WITH SEVERANCE

6. In the event of SYFR intending to decrease its number of employees it will ask whether any employees are interested in resigning voluntarily and taking a lump sum payment. The payment will be in excess of the standard statutory redundancy payment for each employee. This will enable SYFR to encourage staff to consider this option and once completed SYFR will evaluate whether any compulsory redundancies are required from the remaining workforce.
7. Severance payments will be calculated in accordance with contractual terms and statutory redundancy provisions. The relevant statutory provisions are based on the employee's age and length of continuous service and a maximum weekly amount. SYFR will provide an enhanced benefit of utilising the employee's actual weekly wage.
8. Wholetime Staff – Pension provisions
 - a) There is no provision under the Firefighters Pension Scheme (1992) that covers redundancy and employees who are made redundant will have their pension deferred. However, members who satisfy the requirements for immediate payment of an ordinary pension (i.e. aged 55 or have attained age 50 and have at least 25 years' pensionable service) will be entitled to immediate payment of their accrued pension.
 - a) Under Part 3, rule 5 of the New Firefighters Pension Scheme (2006) an employee on or after his/her 55th birthday may request the early payment of a deferred pension. Requests should be made in writing to the Head of Human Resources and will be considered taking into account the cost to SYFR.
9. Support Staff and Control – Local Government Pension Scheme (LGPS)

Members aged under 55 who volunteer and are approved for early release will be entitled to preserved benefits. Members aged 55 or over who volunteer and are approved for early release will automatically be entitled to immediate unretduced benefits.
10. Volunteers or their Representative bodies may be required to enter into a Pre-Claim Conciliation Agreement with SYFR and ACAS..

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EMPLOYEE REQUEST FOR EARLY RETIREMENT – LGPS

11. In certain cases it is possible to agree early release of pension following a request from the employee. This request might be made where the employee's combined age and LGPS membership adds up to 85 or more (i.e. Rule of 85) and they can retire with a pension and no actuarial reduction.
12. Where savings generated can be shown to outweigh the costs incurred, and the post involved meets the criteria of the overall Corporate Plan, then the Fire Authority shall allow applications for early release from members over the age of 55 and under the age of 60 who satisfy the 'Rule of 85'.
13. Where the application meets the cost and Corporate strategy but the applicant fails to satisfy the 'Rule of 85' then the Fire Authority shall allow the application and release actuarially reduced benefits. However it is possible to waive the actuarial reduction on compassionate grounds if the conditions in paragraph 16 are satisfied.
14. Members aged 55 or over who joined the Scheme after 1st October 2006 are not subject to Rule of 85 but can apply for actuarially reduced benefits, subject to the conditions in paragraph 16.

LOCAL GOVERNMENT PENSION SCHEME (LGPS) DISCRETIONS POLICY

15. The following LGPS Discretions apply to all employees within the Organisation who are members of the Scheme and may be considered by SYFR in its application of voluntary release through early retirement and/or severance.

The LGPS (Administration) Regulations 2008, Regulation 66 – Statements of Policy about Exercise of Discretionary Functions lays out the requirements for employers to make and publish a policy statement on how they will exercise their discretion in 4 key areas of the pension scheme which are:

- Choice of Early Payment of Pension (Regulation 30)
- Flexible Retirement (Regulation 18)
- Power of Employing Authority to Increase Total Membership (Regulation 12)
- Power of Employing Authority to Award Additional Pension (Regulation 13)

In all cases, the exercising of each of the above is at the discretion of the Organisation and will be in line with the relevant criteria detailed for each regulation.

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Choice of Early Payment of Pension

16. Regulation 30 of the Benefits Regulations allows employers to allow members who have left the scheme and who are over the age of 55 to take their benefits early.
17. Applications for the early payment of pension benefits will be considered having particular regard to:
 - the operating requirements of the employing department
 - the ability to meet the cost of granting such a request
 - whether any demonstrable cost saving in excess of potential savings available under any severance arrangements in place from time to time can be made
 - the member's personal circumstances
18. Applications for unreduced benefits on the grounds of compassion will be granted if:
 - in SYFR's sole opinion, the special extenuating circumstances surrounding the application, along with the supporting evidence provided justify approval
 - SYFR can meet the cost of granting such a request.

Flexible Retirement

19. Regulation 18 of the Benefits Regulations allows employers to allow members who have reduced their hours of work, or their grade, and who are age 55 or over, to elect to take their benefits early (either in whole or in part) whilst continuing in employment and Fund membership.
20. Under the conditions of Flexible Retirement the individual would be required to have an amendment to their current contract of employment resulting in a reduction to their annual salary. The reduction in salary would be achieved by either reducing the individual's working hours or moving the individual to a suitable lower graded post which they meet the minimum essential criteria for.
21. Please see the separate Flexible Retirement Policy for further information.

Power of Employing Authority to Increase Total Membership

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22. Regulation 12 of the Benefits Regulations allows employers to provide an extra period of membership to an active member.
23. The augmentation of pensionable service will only be considered having regard to the following:
 - the member's personal circumstances
 - the interests of SYFR
 - the additional contributions due to the Fund by SYFR in respect of the exercise of this discretion
 - any potential benefits or savings to SYFR arising from the exercise of this discretion
 - other options that are, from time to time, available under SYFR's severance arrangements
 - the funding position of SYFR within the South Yorkshire Pension Fund
 - the ability of SYFR to meet the cost of granting such an award.

Power of Employing Authority to Award Additional Pension

24. Regulation 13 of the Benefits Regulations allows employers to award a member an additional pension of no more than £5,000 per annum, payable from the same date as the members pension is paid.
25. SYFR will only consider the award of additional pension having regard to the following:
 - the member's personal circumstances
 - the interests of SYFR
 - the additional contributions due to the Fund by SYFR in respect of the exercise of this discretion
 - any potential benefits or savings to SYFR arising from the exercise of this discretion
 - other options that are, from time to time, available under SYFR'S severance arrangements
 - the funding position of SYFR within the South Yorkshire Pension Fund
 - the ability of SYFR to meet the cost of granting such an award.

For further information on this policy please contact Human Resources