

Flexible Retirement Process in the LGPS

What is Flexible Retirement?

Flexible retirement is a way to move gradually into retirement.

You can access a flexible retirement when you reduce your contractual hours or grade and begin taking the pension benefits you have built up. Your employer has the final decision on whether to allow a flexible retirement, they must follow their policy.

Requirements



Flexible Retirement must be an approved discretion within your employer's policy



Your employer must approve your individual request



You must reduce either your weekly contracted hours, or your salary / grade.

Flexible Retirement Application Process

As Flexible Retirement is dependent on your employer's approval, Dorset County Pension Fund (DCPF) are unable to provide estimates, or confirm retirement on grounds of flexible retirement to you directly. All requests have to come from your employer.



If you would like to retire under flexible retirement, you must first discuss this with your line manager / HR department.



Your employer will have a flexible retirement policy, that details the conditions for a flexible retirement to be considered.



Your employer will then submit an estimate request to the DCPF, requesting a calculation of any cost to them for your flexible retirement.



If flexible retirement is agreed, your employer will notify DCPF after the date you reduce your hours or grade.



DCPF will send you your retirement information in the post to your home address. There will be forms for you to complete and return.

Please see over the page for some frequently asked questions relating to Flexible Retirement.

How many hours, or how many pay grades must I reduce by to qualify?

The LGPS regulations do not give a specific number of hours or the grade you have to reduce to. This will need to be agreed with your employer, so please speak to them directly. They will have a policy on flexible retirement that they will need to follow.



Will my pension benefits be reduced if I flexible retirement?

If you flexibly retire your pension benefits will normally be reduced if you are under your Normal Pension Age (NPA). In exceptional circumstances, your employer could pay the DCPF the relevant costs so that any reductions in whole or part do not apply. Please speak with your employer directly regarding their policy on this.

Can I still contribute to the LGPS once I have flexibly retired?

Yes, your employer will automatically bring you back into the scheme in your continuing employment. You will continue to build up a second pension account within the LGPS. But, if you prefer, you can opt out of the LGPS on this second pension account. You will need to opt out within the first 3 months to receive a refund of your pension contributions on the second pension.

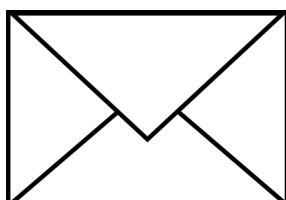


Will I have to pay tax on my flexible retirement pension?

Your annual pension is classed as a taxable income. When we begin paying your flexible retirement pension, we will inform HMRC. HMRC will let us know the tax code that applies. Any tax that you have to pay will be taken at source from your monthly pension payments. Any lump sum retirement grant payable is tax-free.

What happens to my AVC if I take flexible retirement?

If you have an AVC fund with the Prudential, you will be able to take your AVC options at the point you flexibly retire. We will provide you with your AVC options when we write to you regarding your pension.



Do I have to give DCPF notice to claim my flexible retirement pension?

No, your employer will inform us of your flexible retirement. Once the instruction has been received we will contact you directly with your retirement options.

We have a [Guide to Retirement](https://www.dorsetpensionfund.org/forms-and-publications/guide-to-retirement/) document on our website: <https://www.dorsetpensionfund.org/forms-and-publications/guide-to-retirement/> which provides information on timescales and requirements in processing retirement benefits.

Please contact us: Dorset County Pension Fund, County Hall, Dorchester, Dorset. DT1 1XJ

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