



POLICY AND PROCEDURES FOR DEALING WITH RETIREMENT

INTRODUCTION

This does not apply to school employees.

1. The skills and experience of employees are valued highly by Luton Borough Council which recognises the importance of avoiding dismissals for reasons of redundancy, ill-health, disability or early retirement wherever possible. The Council will endeavour to minimise through careful employee planning individual organisational upheavals that create fluctuations in employee requirements. The Council will take steps to avoid retirements through redundancy occurring and only after all other alternatives, such as alternative employment or job redesign, have been considered will retirements through redundancy be made. These redundancies will be handled in the most sympathetic manner possible and in accordance with the practice outlined in the Council's "Policy for Dealing With Dismissals Arising From Redundancy and Guidelines on Redeployment".
2. The Council resolved (1988/1086) on 15th April 1998 not to exercise discretion to pay pension benefits to employees under 60. Retirement is only an option between the ages of 60 and 65 unless due to
 - redundancy if aged 50 or over
 - ill-health if strict criteria are met
 - efficiency of the service where it would lead to improvement in the service
3. The council supports employees approaching standard retirement by the provision of the pre-retirement course. There is a range other support & welfare provision available which may be accessed through HR Division or the relevant Personnel Unit.

REDUNDANCY and REDEPLOYMENT PROCEDURE

- 4.1 The council does not wish to release employees where there are excessive termination costs. In any case where redundancy may be an end option managers are advised to contact the appropriate personnel unit to obtain estimated severance costs and to have those costs verified by a Finance unit.
- 4.2 Managers must obtain a Finance unit's appraisal of severance costs and obtain approval from the Head of HR in conjunction with Head of Service, or from Administration Committee, where gross pay for the calculation of pensionable costs exceed £40,000, before taking any decision which may ultimately lead to a redundancy. Severance costs will be met from the relevant Manager's budgets.
- 4.3 Where posts will be made redundant, the Council's "Policy for Dealing With Redundancy and Guidelines on Redeployment" will apply.

APPENDIX 1

- 4.5 Redeployment will continue to be actively sought by the Redeployment Officer/ Panel up to the date that redundancy takes effect.
- 4.6 All vacancies will be scrutinised by the Redeployment Officer/Panel prior to advertisement. The Human Resource Division's Recruitment and Development Unit will not release for advertisement a vacancy which the Redeployment Officer/Panel considers suitable for a potentially redundant redeployee until that redeployee(s) either:-
- i) expresses no interest in the vacancy (if the redeployee cannot give a satisfactory reason for not applying, then they will be warned that they face possible loss of their redundancy rights)
or
 - ii) has been interviewed and found unsuitable for the job
or
 - iii) the vacancy is causing severe operational problems and thus needs to be recruited to as quickly as possible e.g.; DSO's incurring penalties.
- 4.6 Where an employee's original post has been deleted, the employee has been redeployed, their contract has been extended to the end of the redeployment trial period by approval from Head of Human Resources and the redeployment is unsuitable then the employee will be made redundant. In such cases, where the employee is over 50, and has statutory pension rights they will be entitled to a immediate pension benefits.

TERMINATION ON GROUNDS OF ILL HEALTH

- 5.1 The Council will consider all sickness cases in the spirit of the Disability Discrimination Act 1995. Where an employee has been certified permanently unfit to perform the normal duties of the post, consideration will first be given as to whether redesign, adjustment or amendment of the job while retaining its essential characteristics will enable the employee to continue in post. Where this is not possible every effort will be made to redeploy the employee into an alternative post within the Council, which will include redesign, adjustment or amendment of the redeployment job and other measures as described in the Sickness Absence and Monitoring Procedure. Only after such attempts are unsuccessful will steps be taken to terminate the employee's services on the grounds of ill-health._
- 5.2 In cases including long term sickness where the employee could undertake other work for the Council given suitable job redesign, adjustment or amendment but is unwilling the employee will be dismissed for incapability due to sickness absence. Advice on any dismissal under this category should be sought from Occupational Health.
- 5.3 Employees will only be retired on ill-health grounds once all alternative options have been explored unsuccessfully. Where this occurs an independent Doctor will need to support the Council's Doctor's view that the employee would be unfit to perform their job or any other job from the current time until normal retirement age.

Employees will only be retired on ill-health grounds once all alternative options have been explored unsuccessfully. In such cases Ill- health retirement will only apply where an independent Doctor considers the employee unfit to perform their job or any other job from the current time until normal retirement age.

Terminal Illness

- 5.3 Each case will be considered on the merits of the case and the circumstances and wishes of the employee and the employee's family and on advice from Occupational Health & the Council's Doctor.

STANDARD RETIREMENT 60 TO 65

STANDARD RETIREMENT AT 65

- 6.1 The Council's normal retirement age is 65. For those employees who are members of the Local Government scheme retirement benefits will be payable.

STANDARD RETIREMENT BETWEEN 60 AND 65

- 6.1 The Council will treat employees equally by allowing standard retirement after the age of 60. For those employees who are members of the Local Government scheme retirement benefits will be payable.
- 6.2 Where employees retire between the ages of 60 and 64 there may be an adjustment to the pension benefits. If the employee's age and pensionable service together are less than 85 years there may be a reduction in retirement benefits due. In such cases employees are advised to contact the relevant Personnel Unit to obtain estimated pension benefits.

TERMINATION ON CAPABILITY OR DISCIPLINARY GROUNDS

- 7.1 Where an employee is unable to perform the duties of their post satisfactorily an investigation should take place to determine whether or not this is a capability or a disciplinary matter.

Capability

- 8.1 Where an employee is unable to perform the duties of their post satisfactorily due to capability the Council's Capability Policy will apply. In such cases retirement on grounds of efficiency of the service may be allowed only if it will lead to improvement of that service (e.g. improved attendance by specific posts) and is cost neutral.

Disciplinary

- 9.1. Where the employee is capable of but unwilling to perform the duties of their post satisfactorily this is a disciplinary matter and the disciplinary procedure will be followed.

Efficiency of Service

- 10.1 **Employees will only be retired on grounds of efficiency only in very exceptional circumstances where such action will lead to improvement of that service and is cost neutral.** In such cases Managers must obtain a Finance unit's appraisal of severance costs and obtain approval from the Head of HR in conjunction with Head of Service, or from Administration Committee where gross pay for the calculation of pensionable pay exceeds £40,000, before taking any decision which may ultimately lead to retirement on the grounds of efficiency. Costs will be met from the relevant Manager's budgets