

Flexible Retirement

Rather than continuing in your job to your **Normal Pension Age** or beyond you may wish to consider the possibility of flexible retirement. From age 55, if you reduce your hours or move to a less senior position, and provided you have met the 2 years **vesting period** in the scheme and your employer agrees, you can draw some or all of the pension benefits you have built up, helping you ease into retirement. If there is a cost to the employer in the release of these benefits, the council's current policy is that any such request will automatically be refused.

If your employer agrees to flexible retirement you can still draw your wages / salary from your job on the reduced hours or grade and continue paying into the Local Government Pension Scheme (LGPS), building up further benefits in the scheme.

Do I have to draw all my pension benefits if I take flexible retirement?

If your employer agrees to flexible retirement then you would have to draw:

- all of the benefits that relate to any pre 1 April 2008 membership, plus
- all of the benefits that relate to your membership from 1 April 2008 to 31 March 2014, plus
- all of the benefits that relate to your pension built up from 1 April 2014, plus
- any additional benefits including added years, additional pension being purchased either through Additional Pension Contributions or Additional Regular Contributions, additional pension awarded by your employer and any Additional Voluntary Contributions (should you choose to draw these).

Will my pension and lump sum be reduced if I take flexible retirement?

If you take flexible retirement before your **Normal Pension Age** your benefits will normally be reduced for early payment. The reduction will depend on how early you take your pension.

| Years Early | Pension Reduction % | | Retirement Grant Reduction % |
|-------------|---------------------|--------|------------------------------|
| | Male | Female | All Members |
| 0 | 0% | 0% | 0% |
| 1 | 6% | 5% | 3% |
| 2 | 11% | 11% | 6% |
| 3 | 16% | 15% | 8% |
| 4 | 20% | 20% | 11% |
| 5 | 25% | 24% | 14% |
| 6 | 29% | 27% | 16% |
| 7 | 32% | 31% | 19% |
| 8 | 36% | 34% | 21% |
| 9 | 39% | 37% | 23% |
| 10 | 42% | 40% | 26% |
| 11 | 45% | 44% | N/A |
| 12 | 48% | 47% | N/A |
| 13 | 52% | 50% | N/A |

If you take flexible retirement after your **Normal Pension Age** your benefits will be increased to reflect late payment.

Obtaining a quotation

If you left some time ago and now wish to consider payment of your retirement benefits and you are over the age of 55 at the date of election, your former employer's consent is required before the early release of your benefits. If there is a cost to the employer in the release of these benefits, the council's current policy is that any such request will automatically be refused.

A Flexible Retirement Application Form is attached on pages 3 and 4. Following discussions, this must be completed and returned to your line Manager.

Further information

This leaflet has been prepared by the Isle of Wight Council Pension Office. If you need further information, you should contact:

Pensions Team, Shared Service Centre, Isle of Wight Council,
County Hall, High Street, Newport, Isle of Wight PO30 1UD

Email: pensions@iow.gov.uk Website: <http://www.iwight.com/council/OtherServices/Pensions-IWC>

Please set out what you anticipate will be the benefits to the Council in the approval of your application (include both personal benefits as well as those for the Council):

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Please identify any service delivery issues that need to be addressed to make sure that this arrangement will not result in any deterioration of standards and the solutions you would recommend:

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Please record any other comments or points you wish to make in support of your application:

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Signed

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|-----------|--|------|--|
| Signature | | Date | |
|-----------|--|------|--|