



### Revised Employment Policies

**Committee**            Personnel

**Date of meeting**    27 September 2016

**Date of report**     16 September 2016

**Report by Assistant Chief Executive (Business Support)**

#### 1. Object of report

To recommend approval of revised Employment Policies and Policy Guidance, which will now be subject to consultation with the recognised Trade Unions.

#### 2. Background

- 2.1 SPT continues to review people policies and management guidance to ensure that these are in line with the latest employment legislation and good practice, enabling good operational delivery.
- 2.2 SPT's recognised Trades Unions will be consulted on all policy changes prior to implementation.

#### 3. Outline of proposals

- 3.1 A number of policies relating to recruitment and selection have been reviewed following a recent internal audit and to support the implementation of eRecruitment. SPT employs a diverse range of staff and the policy framework proposed will support a flexible approach to recruitment whilst maintaining core principles of equality of opportunity. Two policies are proposed:
  - A new Recruitment and Selection Policy
  - An updated policy on the Recruitment of Ex-Offenders.
- 3.3 SPT has also reviewed its suite of policies in relation to retirement including SPT's Pension Policy Statement to ensure that these align with recent changes within the Strathclyde Pension Fund and to clarify management responsibilities therein. The policy statement and three policies are:
  - Pension Policy Statement
  - Retirement Policy
  - Flexible Retirement Policy
  - Early Retirement/Severance Policy

A summary of the recommended changes is attached at Appendix 1 with the full draft policies attached at Appendix 2.

#### 4. Conclusions

SPT's policies and guidance documents covering Recruitment and Retirement now reflect current legislation and good practice and are attached at Appendix 2 for information. Trade Unions, Unite and Unison will be consulted prior to adoption of these revised policies.

#### 5. Committee action

The committee is recommended to approve the attached Employment Policies and Policy Guidance, subject to consultation with the recognised Trade Unions.

#### 6. Consequences

Policy consequences	<i>Policies updated to reflect legislative changes.</i>
Legal consequences	<i>Policies comply with legislation.</i>
Financial consequences	<i>None.</i>
Personnel consequences	<i>HR to initiate consultation with Employee Representatives</i>
Equalities consequences	<i>None envisaged.</i>
Risk consequences	<i>Not updating policies may result in non-compliance with legislation and best practice.</i>

**Name** Valerie Davidson  
**Title** **Assistant Chief Executive  
(Business Support)**

**Name** Gordon MacLennan  
**Title** **Chief Executive**

For further information, please contact *Neil Wylie, Director of Finance & HR, on 0141 333 3380.*

## Appendix 1

### Summary of Changes to Policy Documents

<b>Policy &amp; Guidance</b>	<b>Reason for Changes</b>	<b>Current</b>	<b>Revised / Key features</b>
Recruitment and Selection Policy	SPT did not have a formal policy on recruitment	n/a	<p>Process and timescales will be tailored to business requirements whilst retaining equality of opportunity at all times.</p> <p>Recruiting Manager to define objective requirements and work with HR to select on basis of merit.</p> <p>Online recruitment process applies for all internal and external applications.</p>
Recruitment of Ex-Offenders	Legislation/Regulatory	Pre-dates changes to definition of “regulated work” under the Protection of Vulnerable Groups (Scotland) Act 2010.	PVG changes reflected in policy.
Pension Policy Statement	Statutory requirement for employers to publish a policy statement; must align with current pension arrangements	Pre-dates recent pension scheme changes	<p>Technical document confirming definitions within pension arrangements.</p> <p>Based heavily upon SPFO guidance to ensure compliance.</p>
Retirement Policy	There is no fixed Normal Retirement Age and as a result management play a more active role in retirement process.	<p>Pre-dates recent pension scheme changes</p> <p>Normal Retirement Age defined as 65</p>	<p>Normal retirement age aligns with State Pension age (min 65) but staff are not compelled to retire at any particular age.</p> <p>Line manager responsibilities clarified.</p>
Flexible Retirement Policy	Update to reflect LGPS (Scotland) Regulations 2014	Pre-dates recent pension scheme changes	<p>Aligns with 2014 regulations</p> <p>SPT continues to assess requests on the basis of operational and financial impact and is under no obligation to agree to requests.</p>

Policy & Guidance	Reason for Changes	Current	Revised / Key features
Early Retirement/ Severance Policy	Transitional arrangements to April 2014 no longer apply	Pre-dates recent pension scheme changes	Information relating to transitional arrangements have been removed.

## Appendix 2

### Policy Documents

# STRATHCLYDE PARTNERSHIP FOR TRANSPORT

## RECRUITMENT AND SELECTION POLICY

### Policy

#### 1. Statement of Policy

The purpose of this policy is to outline SPT's approach to the recruitment and selection of employees. SPT recognises that its success, both operationally and strategically, depends heavily upon securing the right people, with the right skills at the right time. The recruitment and selection process and timescales applied for any given vacancy will be tailored to the specific business requirements but will always be in line with the principles of equality of opportunity.

SPT is committed to equality of opportunity and encourages applications from a diverse range of candidates regardless of background, disability or gender.

The principles outlined in the Code of Conduct will apply throughout the recruitment process to ensure that appointments are made on the basis of merit.

#### 2. Scope of Policy

The policy applies to the recruitment and selection activity of all employees of the organisation, irrespective of whether such a contract is for a temporary, fixed term or permanent duration. The policy applies to both internal and external recruitment.

#### 3. Legislation

The following legislation and guidance are of relevance to the formulation and implementation of this policy:-

- The Equality Act (2010)
- Data Protection Act (1998)
- Immigration, Asylum and Nationality Act (2006)
- Rehabilitation of Offenders Act (1974)

#### 4. Principles

Recruitment and selection will be conducted in a professional and responsible manner in compliance with current employment legislation and internal policy guidelines.

SPT use web-based technology to complete administration tasks relating to the recruitment process such as advertising and attraction, assessment, selection and the hiring of staff.

All documentation and data relating to applicants will be treated confidentially and stored in accordance with the Data Protection Act (1998) and in line with the agreed retention schedule.

## Procedures

### 5. End to End Process

#### 5.1. Identifying a Resource Requirement (Existing and New)

In considering whether a vacancy should be filled, managers should assess whether or not the post needs to be filled, and, where it does, whether it needs to be filled on a like for like basis. Where a post is to be filled the Recruiting Manager must gain authorisation from the appropriate Director and Assistant Chief Executive before proceeding.

A Recruitment Authorisation Form can be found on the Intranet and should be completed by the Recruiting Manager and must be accompanied by the relevant job description and person specification before being considered by the relevant Director and Assistant Chief Executive.

#### 5.2. Role Descriptions and Person Specifications

All posts should have a role description which sets out the purpose of the role, the main responsibilities and the tasks the post-holder is expected to fulfil and the ways in which the post-holder is expected to deliver these.

All posts should also have a person specification which sets out the experience, skills, qualifications and the behaviours the employee will be expected to demonstrate in carrying out the post. These requirements should be identified as being either essential or desirable and will be used to shortlist suitable candidates at each stage of the selection process. Consideration should be given to whether any weighting will be applied to the criteria before the recruitment process starts.

The Recruiting Manager must discuss any new, or changes to existing, role descriptions with HR to ensure that the role evaluation and grade is appropriate.

#### 5.3. Advertising

5.3.1 The Recruiting Manager will discuss and agree the appropriate route to attracting the right people with the right skills. All permanent and fixed term vacancies will be advertised internally and/or externally as is deemed appropriate. Timescales will be agreed with managers based on operational requirements. There is no minimum limit for the duration of an advert and vacancies can be advertised both internally and externally simultaneously.

5.3.2 All adverts will include SPT's equal opportunities statement.

5.3.3 Positions may be advertised externally where one or more of the following is applicable:

- There is a shortage of knowledge and/or skills existing in the organisation.
- There is insufficient time to allow for the knowledge or skill to be developed internally.
- The organisation needs to enhance the mix and diversity of its workforce.
- The post is identified as a suitable entry point into the organisation.

5.3.4 External recruitment agencies, whether engaged to support SPT on a search or contingency basis, are expected to support SPT's commitment to equal opportunities and to provide candidates from diverse backgrounds.

#### 5.4. Application Process

The Recruiting Manager will discuss and agree with the assigned HR representative the method of application i.e. application form, CV and letter of application and/or testing.

All applicants will be asked to submit an Equal Opportunities Form along with their application, the details of which will be held separately. Information on ethnic origin, sex, disability and nationality will be collected in order to monitor the number of applications from different groups. This information is not shared with the Recruiting Manager as it is not used in the selection process.

#### 5.5. Shortlisting

The Recruiting Manager will be responsible for shortlisting and will be provided with the application forms and/or CVs.

The Recruiting Manager will be required to shortlist applicants based on the criteria set out in the person specification and any weighting agreed.

Unless otherwise advertised, all applicants for a particular vacancy, whether internal or external, will be subject to the same selection criteria.

Employees in receipt of a current disciplinary or capability warning may be excluded from the shortlist due to misconduct/poor performance. This will be highlighted in an employee's letter confirming level of disciplinary/capability warning. HR will liaise with Recruiting Managers on this matter prior to interviews being scheduled.

#### 5.6. Selection Methods

Consideration will be given to the most appropriate selection methods at the outset of the process and will align with the job and person specification agreed. SPT uses a variety of selection methods depending on the nature of the job. Selection methods will not be discriminatory and will focus on the needs of the job and the skills needed to perform it effectively. Where aptitude/psychometric/personality tests are used these will be carried out by suitably qualified staff.

Wherever possible all interviews will be attended by the relevant HR representative.

#### 5.7. Applicants with a Disability

Where applicable, reasonable adjustments will be made at each stage of the recruitment and selection process as required to reduce any potential barriers faced by applicants and to give them equal access to employment opportunities. SPT is a Disability Confident Employer, as defined in the scheme sponsored by the Department of Work and Pensions.

As such, SPT is committed to taking positive action to attract, recruit and retain disabled people including guaranteeing an interview to any disabled applicant who meets the essential job criteria.

#### 5.8. Decision-Making

The Recruiting Manager will adopt consistent assessment criteria for all candidates in order to consider the relative strengths of each candidate before deciding on the successful candidate(s).

#### 5.9. Giving Feedback

Recruiting Managers should be prepared to provide constructive feedback to candidates at all stages of the process on request. This feedback should align to the person specification for the post.

#### 5.10. Temporary to Permanent

Where a temporary post becomes permanent, for whatever reason, consideration will be given to the longer term requirement and the most appropriate approach to filling the post. A Recruitment Authorisation Form will be required.

#### 5.11. Pre-Employment Checks (including Medicals)

Prior to commencement of employment, all external applicants must provide documentary evidence of their right to work in the UK in line with the Immigration, Asylum and Nationality Act (2006).

It is SPT's policy to take up to 2 references including one from the most recent employer, and to ask for evidence of qualifications.

Applicants for non-safety critical posts will be required to complete a Health Questionnaire.

Applicants for safety critical posts will be required to attend a Safety Critical Medical including drug and alcohol screening.

Line Managers should not automatically reject a candidate with a criminal conviction and should consult with HR on such matters. A spent conviction (or a failure to disclose one) is not a proper ground for excluding a candidate. In deciding whether an applicant with an unspent conviction is suitable for the a position a Recruiting Manager should take into account whether the offence is relevant to the job, whether it was recent, and whether it was a one off or one of a number to ensure compliance with Rehabilitation of Offenders Act 1974.

Where roles require additional vetting such as disclosure and/or credit checks, this will be included in the person specification.

Any offer of employment will be conditional on all of the above checks being satisfactory.



## **6. Responsibilities**

### **6.1. Human Resources Department**

The Human Resources Department is responsible for implementing and monitoring the application of the policy and procedures across the organisation and, as such, will support and guide Recruiting Managers and staff as required to ensure consistency and fairness.

HR will compile statistics, including in relation to equal opportunities, and will evaluate recruitment campaigns to identify the most appropriate recruitment and selection approach for vacancies in terms of effectiveness, quality of outcome and cost.

### **6.2. Line Managers, Managers and Heads of Department**

In line with the Code of Conduct, an employee who is responsible for all or part of the recruitment/selection process and is related to, or has or has had a personal relationship with any applicant, must disclose that relationship to the Director of Finance and HR prior to the interview process commencing. The Director will consult with the Head of HR and will advise on how the process will be conducted.

Where the subsequent interview or selection process determines any of these parties are the most suitable applicant, the Line Manager must seek formal agreement from their Director prior to any formal offer.

### **6.3. Individual Employees**

Individual employees are responsible for their own career and personal development planning. As such, employees are responsible for keeping up to date with opportunities available across SPT by checking the intranet and/or by registering for alerts on the eRecruitment portal.

Employees must declare any personal relationship, current or previous, with the recruiting manager to HR so that appropriate arrangements can be made to ensure the integrity of the process.

Employees must complete the application process within the timescales advertised and ensure that all information provided therein is factually correct.

## **7. Training**

All managers and staff responsible for recruitment and selection activity will receive appropriate training to ensure successful implementation of the policy.

## **8. Review**

This policy will be reviewed and updated as appropriate by the Director of Finance and HR after consultation with our recognised trade unions.

**9. Approval (Signature and Date)**

Signature:

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Date:

\_\_\_\_\_

Print: **Neil Wylie**

Designation: **Director of Finance & HR**

# STRATHCLYDE PARTNERSHIP FOR TRANSPORT

## RECRUITMENT OF EX-OFFENDERS POLICY

### 1. Statement of Policy

The aim of this policy is to state Strathclyde Partnership for Transport's (SPT) approach towards employing people who have criminal convictions.

SPT is committed to equality of opportunity and to following practices and providing services which are free from unfair and unlawful discrimination. We ensure that no applicant or member of staff is subject to less favourable treatment on the grounds of gender, marital status, race colour, nationality, ethnic or national origins, age, sexual orientation, responsibilities for dependants, physical or mental disability, or offending background, or is disadvantaged by any condition which cannot be shown to be relevant to performance.

### 2. Scope

The policy covers the assessment of applicants' or existing employees' suitability for positions within SPT.

### 3. Legislation

The following legislation and guidance are of relevance to the formulation and implementation of this policy:

- Data Protection Act (1998)
- Rehabilitation of Offenders Act (1974)
- Protection of Vulnerable Groups (Scotland) Act 2010
- Code of Practice, issued by Scottish Ministers, in connection with the use of information provided to registered persons, their nominees and other recipients of information by Disclosure Scotland under Part V of the Police Act 1997.

### 4. Principles

- 4.1. SPT complies fully with the Code of Practice, issued by Scottish Ministers, in connection with the use of information provided to registered persons, their nominees and other recipients of information by Disclosure Scotland under Part V of the Police Act 1997, for the purposes of assessing applicants' suitability for employment purposes, voluntary positions, licensing and other relevant purposes. We undertake to treat all applicants for positions fairly and not to discriminate unfairly against the subject of a Disclosure on the basis of conviction or other information revealed.
- 4.2. Guidance is made available to all Disclosure applicants when applying for a role at SPT through the online recruitment process.
- 4.3. SPT actively promotes equality of opportunity for all with the right mix of talent, skills and potential, and welcomes applications from a wide range of candidates, including those

with criminal records. The selection of candidates for interview will be based on skills, qualifications and experience.

- 4.4. SPT will request a Disclosure only where this is considered proportionate and relevant to the particular position. This will be based on a thorough risk assessment of that position and having considered the relevant legislation which determines whether or not a Standard or Enhanced Disclosure or registration of the PVG Scheme for regulated work children and/or Protected Adults is relevant to the position in question. Where a Disclosure is deemed necessary for a post or position, all applicants will be made aware at the initial recruitment stage that the position will be subject to a Disclosure and that Strathclyde Partnership for Transport will request the individual being offered the position to undergo an appropriate Disclosure check/PVG registration.
- 4.5. SPT asks all applicants to provide details of their criminal record by completing a criminal records self-declaration form as part of the online application process. This information is available to the HR team and will only be shared with those who need to see it as part of the recruitment process.
- 4.6. In line with the Rehabilitation of Offenders Act 1974, SPT will only ask about convictions which are defined as "unspent" in terms of that Act, unless the nature of the position is such that we are entitled to ask questions about an individual's entire criminal record.
- 4.7. At interview, or under separate discussion, we undertake to ensure an open and measured discussion on the subject of any offences or other matters that might be considered relevant for the position concerned. Failure to reveal information that is directly relevant to the position sought could lead to withdrawal of an offer of employment.
- 4.8. We undertake to discuss any matter revealed in a Disclosure Certificate<sup>1</sup> with the subject of that Disclosure before considering withdrawing a conditional offer of employment.
- 4.9. We ensure that all those in Strathclyde Partnership for Transport who are involved in the recruitment process have been suitably trained to identify and assess the relevance and circumstances of Disclosure information. We also ensure that they have received appropriate guidance and training in the relevant legislation relating to employment of ex-offenders (e.g. the Rehabilitation of Offenders Act 1974).
- 4.10. We undertake to make every subject of a Disclosure aware of the existence of the Code of Practice, and to make a copy available on request.
- 4.11. Having a criminal record will not necessarily debar you from working with SPT. This will depend on the nature of the position, together with the circumstances and background of your offences or other information contained on a Disclosure Certificate or provided directly to us by a Police force.

## **5. Review**

This policy will be reviewed and updated as appropriate by the Director of Finance and HR after consultation with our recognised trade unions.

**6. Approval (Signature and Date)**

Signature:

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Date:

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Print: **Neil Wylie**

Designation: **Director of Finance & HR**

**STRATHCLYDE PARTNERSHIP FOR TRANSPORT**  
**EMPLOYERS POLICY STATEMENT – LGPS REGULATIONS**

<b>Employer:</b>	Strathclyde Partnership for Transport
<b>Lead officer (for any questions):</b>	Neil Wylie, Director of Finance & HR
<b>Contact details of lead officer:</b>	<a href="mailto:Neil.Wylie@spt.co.uk">Neil.Wylie@spt.co.uk</a> 0141 333 3380
<b>Date of policy statement:</b>	<input checked="" type="checkbox"/> October 2016
<b>Date for review:</b>	As required by changes in related regulations.

SPT is aware of our obligations to publish an employer policy statement under:

- regulation 58 of SSI 2014 No.164, the LGPS (Scotland) Regulations 2014
- paragraph 2(2) of Schedule 2 to the LGPS (Transitional Provisions and Savings) (Scotland) Regulations 2014
- regulation 61 of the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 (in respect of leavers between 1 April 2009 and 31 March 2015)
- regulation 105 of the Local Government Pension Scheme (Scotland) Regulations 1998 (in respect of leavers between 1 April 1998 and 31 March 2009)

All relevant employer discretions are covered in Tables 1 to 5.

**Table 1** details our discretions from 1 April 2015 in relation to post 31 March 2015 active members and post 31 March 2015 leavers.

**Table 2** details our discretions in relation to scheme members who ceased active membership on or after 1 April 2009 and before 1 April 2015.

**Table 3** details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) in relation to pre 1 April 2009 scheme leavers.

**Table 4** details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1987 (as amended) in relation to pre 1 April 1998 scheme leavers.

**Table 5** details our discretions under the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 (as amended).

**Note:** \* in the following tables beside a regulation denotes the discretions where we are required to have a policy statement under the regulations

**TABLE 1**

**The following table details our discretions from 1 April 2015 in relation to post 31 March 2015 active members and post 31 March 2015 leavers, being discretions under:**

- the Local Government Pension Scheme (Scotland) Regulations 2014 [prefix **R**]
- the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 [prefix **TP**]
- the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 [prefix **A**]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 (as amended) [prefix **B**]
- the Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008 [prefix **T**]
- the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) [prefix **L**]

<b>Regulation</b>	<b>Discretion</b>	<b>Employer's policy on the exercise of this discretion</b>	<b>Pension Statement Comment</b>
<b>R3(1)(b)</b>	Decide which employees to nominate for membership (admission bodies).	In accordance with SPT's admission agreement with SPFO.	This covers those employees who are eligible to join the Scheme. This matter has not previously been specifically set out in the Policy Statement.
<b>RSch 2, Part 2, para 12(c)</b>	Whether, in respect of an admission body providing a service in respect of outsourced work, to set off against payments due to that body any sums due from that body to the Fund.	SPT will consider any application of this discretion on a case by case basis.	This matter has not previously been specifically set out in the Policy Statement.
<b>R9(1) to R9(4)</b>	Determine the rate of employee's contributions.	The employee's rate of contributions will be determined in accordance with these regulations.	This discretion applies in relation to an employee joining the Scheme, at the annual review and where there has been a permanent material change to a member's terms and conditions of employment in the course of a Scheme year. This matter has not previously been specifically set out in the Policy Statement.

<b>Regulation</b>	<b>Discretion</b>	<b>Employer's policy on the exercise of this discretion</b>	<b>Pension Statement Comment</b>
<b>R9(10)</b>	Determine intervals at which employees' contributions are to be made.	Employees' contributions will be aligned to SPT's pay periods.	This matter has not previously been specifically set out in the Policy Statement.
<b>R16(2)(e)* &amp; R16(4)(d)*</b>	Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.	SPT has elected not to set up additional shared contribution scheme. Employees already have access to AVC's (currently Prudential) which accepts member only contributions.	This matter is not covered in the current Policy Statement.
<b>R16(16)</b>	Whether to extend 30 day deadline for member to elect for a shared cost APC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve force service leave).	Not applicable—member only contribution scheme.	This matter is not covered in the current Policy Statement  There is no shared cost APC within SPT.
<b>R17(1) &amp; definition of SCAVC in R Sch 1</b>	Whether, and in what circumstances to contribute to a shared cost AVC scheme.	SPT does not exercise this discretion.	This matter is not covered in the current Policy Statement.
<b>TP15(1)(b) &amp; L65(8) &amp; former L65(9)(b)</b>	Allow late application to convert scheme AVCs into membership credit i.e. allow application more than 30 days after cessation of active membership (where AVC arrangement was entered into before 30 June 2005).	SPT does not exercise this discretion.	This matter is not covered in the current Policy Statement.



Regulation	Discretion	Employer's policy on the exercise of this discretion	Pension Statement Comment
<b>R19(2)</b>	No right to a return of contributions due to an offence of a fraudulent character or grave misconduct unless the employer directs a total or partial refund is to be made.	SPT will not return contributions in the event of an offence of a fraudulent character or grave misconduct.	This matter is not covered in the current Policy Statement.
<b>R20(1)(b)</b>	Specify in an employee's contract what other payments or benefits, other than those specified in R20(1)(a) and not otherwise precluded by R20(2), are to be pensionable.	Elements of pay received by an employee other than those specified in these regulations and not otherwise precluded will only be pensionable if specified as such in the member's contract of employment.	This matter is not covered in the current Policy Statement.
<b>R21(5)</b>	In determining Assumed Pensionable Pay, whether a lump sum payment made in the previous 12 months is a "regular lump sum".	Any consideration to exercise this discretion will be considered on a case by case basis having regard to all of the circumstances.	This matter is not covered in the current Policy Statement.
<b>R29(5) &amp; (13)*</b>	Whether to grant application for early payment of benefits on or after age 55 and before age 60.	SPT will only exercise this discretion relating to flexible retirement in exceptional circumstances where there is a sound business case deemed to be of benefit to SPT and only in accordance with the Flexible Retirement Policy.	This matter is covered and set out in current policy.  <a href="http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/flexible_retirement.pdf">http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/flexible_retirement.pdf</a>
<b>R29(6)* &amp; TP11(2)</b>	Whether all or some benefits can be paid if an employee reduces their hours or grade prior to age 60 (flexible retirement).	SPT may agree to apply this discretion by delegated authority to the Director of Finance & HR, subject to financial constraints and in accordance with the Flexible Retirement Policy, where there would be positive benefits to SPT in	This matter is covered and set out in current policy.  <a href="http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/flexible_retirement.pdf">http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/flexible_retirement.pdf</a>

Regulation	Discretion	Employer's policy on the exercise of this discretion	Pension Statement Comment
		terms of skills retention, efficiency savings etc.	
<b>R29(8)* and TPSch 2, para 2(1)</b>	<p>Whether to waive, in whole or in part, any actuarial reduction on benefits paid on flexible retirement.</p> <p><b>Note:</b> any resultant strain cost from the exercise of this discretion will be charged to the employer regardless of the member's age at date of retirement.</p>	SPT will only exercise this discretion in exceptional circumstances where there is a sound business case in accordance with the Flexible Retirement Policy.	<p>This matter is covered and set out in current policy.</p> <p><a href="http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/flexible_retirement.pdf">http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/flexible_retirement.pdf</a></p>
<b>R29(8)*</b>	<p>Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age, other than on the grounds of flexible retirement (where the member only has post 31/3/15 membership).</p> <p><b>Note:</b> any resultant strain costs due to the exercise of this discretion will be charged to the employer regardless of the employee's age.</p>	SPT will not generally waive the actuarial reduction applied to benefits paid early under regulation R29(5) & (13) above. SPT may consider waiving the actuarial reduction where exercising that discretion can be justified in terms of the sound businesses case made for initially paying those benefits or where other exceptional circumstances arise that make payment of those benefits justifiable. Each case will be considered on its individual merits.	<p>This matter is covered and set out in current policy.</p> <p><a href="http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/flexible_retirement.pdf">http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/flexible_retirement.pdf</a></p>
<b>TPSch 2, paras 1(2) and 2(1)*</b>	Whether to apply the 85 year rule for a member voluntarily drawing benefits, with employer consent, on or after age 55 and before age 60 (other than on the grounds of flexible retirement).	SPT does not have a general policy of applying the rule of 85 for a member voluntarily drawing benefits, with employer consent, on or after age 55 and before age 60 but may consider exercising it in	<p>This matter is covered and set out in current policy.</p> <p><a href="http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/flexible_retirement.pdf">http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/flexible_retirement.pdf</a></p> <p><a href="http://www.spfo.org.uk/index.aspx?articleid=14756">http://www.spfo.org.uk/index.aspx?articleid=14756</a></p>

Regulation	Discretion	Employer's policy on the exercise of this discretion	Pension Statement Comment
		exceptional circumstances and in accordance with the Early Retirement/ Severance Policy.	
<b>TP3(1), TPSch 2, para 2(1) *</b>	Whether to waive, in whole or in part, any actuarial reduction on pre and post April 2015 benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1 April 2015 and post 31 March 2015 membership and is subject to the 85 year rule).	SPT does not have a general policy of waiving any actuarial reduction on pre and post April 2015 benefits which a member voluntarily draws before normal pension age but may consider exercising it in exceptional circumstances and in accordance with the Early Retirement/ Severance Policy.	This matter is not covered in the current Policy Statement.
<b>TP3(1), (5) and (12), TPSch 2, para 2(1)</b>	Whether to waive, in whole or in part, any actuarial reduction on pre and post April 2015 benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement (where the member has both pre 1 April 2015 and post 31 March 2015 membership).	SPT does not have a general policy of waiving any actuarial reduction on pre and post April 2015 benefits which a member voluntarily draws before normal pension age but may consider exercising it in exceptional circumstances and in accordance with the Early Retirement/ Severance Policy.	This matter is not covered in the current of Policy Statement.
<b>R30*</b>	Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to *£5,000 p.a.).  [*Note: £5,000 value as at 1 April 2015.]	SPT does not have a general policy to grant additional pension to a member (by up to £5,000p.a.) but may consider doing so where a sound business case can be made for exercising this discretion. Each case will be considered on	This matter is not covered in the current Policy Statement.

Regulation	Discretion	Employer's policy on the exercise of this discretion	Pension Statement Comment
		its individual merits and in accordance with the Early Retirement/ Severance Policy.	
<b>TP12(4)</b>	Whether to use a certificate produced by an IRMP under the 2009 Scheme for the purposes of making an ill health determination under the 2015 Scheme.	SPT will use a certificate produced by a qualified occupational health practitioner registered and approved by the Strathclyde Pension Fund to make such a decision. Each case will be considered on its individual merits.	This matter is covered and set out in current policy.  <a href="http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/Early_retirement_-_severance_policy2.pdf">http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/Early_retirement_-_severance_policy2.pdf</a>
<b>R89(1) &amp; (8) R89(4)</b>	Whether to apply to Scottish Ministers for a forfeiture certificate (where a member is convicted of a relevant offence) and subsequently whether to direct that benefits are to be forfeited (other than rights to GMP – but see R92 below).	SPT will in general apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited. Each case will be considered on its individual merits.	This matter is not covered in the current Policy Statement.
<b>R90(2)</b>	Whether to recover from the fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs / SCAVCs) where the obligation was as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left the employment.	SPT may recover from pension benefits any loss arising from criminal, negligent or fraudulent act by a former employee, provided that all other efforts to recover monetary obligations have been exhausted, in the interests of maintaining confidence in the public service.	This matter is not covered in the current Policy Statement.
<b>R92</b>	Whether, if the member has committed treason or been imprisoned for at least 10 years for one	SPT will in general apply for a forfeiture certificate where a member is convicted of	This matter is not covered in the current Policy Statement.

Regulation	Discretion	Employer's policy on the exercise of this discretion	Pension Statement Comment
	or more offences under the Official Secrets Acts, forfeiture under R89 or recovery of a monetary obligation under R90 should deprive the member or the member's surviving spouse or civil partner of any GMP entitlement.	a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited. Each case will be considered on its individual merits.	
<b>R93(4A)</b>	Decide whether to issue a Certificate of Protection if the member does not request one within 12 months of a reduction or restriction in pay.	SPT will not exercise this discretion (see TP3 (1) (a), A43 (5)).	This matter is not covered in the current Policy Statement.
<b>R96(1)(b)</b>	Agree to bulk transfer payment.	SPT will consult with SPFO and the fund actuaries in this regard.	This matter is not covered in the current Policy Statement.
<b>R98(6)</b>	Extend normal time limit for acceptance of a transfer value beyond the 12 month time limit from joining the LGPS.	SPT will not generally extend the normal time limit for acceptance of a transfer value beyond 12 months from joining the scheme but may do so where exceptional circumstances can be proved. In any event the maximum extension will be a period of two years from the member's date of joining the scheme. Each case will be considered on its individual merits.	This matter is not covered in the current Policy Statement.

Regulation	Discretion	Employer's policy on the exercise of this discretion	Pension Statement Comment
<b>TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) &amp; B11(2)</b>	Whether to allow a member to select final pay period for fees to be any 3 consecutive years ending in the 10 years prior to leaving and ending on the anniversary of the date of leaving.	SPT will allow a member to select final pay for fees to be any three consecutive years ending 31 <sup>st</sup> March in the 10 years prior to leaving. SPT agree that this will automatically be done by SPF.	This matter is not covered in the current Policy Statement.
<b>TP3(1)(a), A43(5)</b>	Issue a certificate of protection of pension benefits where eligible non-councillor member fails to apply for one (pay cuts / restrictions occurring pre 1 April 2015).	SPT will issue a certificate of protection of pension benefits if requested by the employee within twelve months of the date of reduction. A certificate may be issued on application from the member outwith the 12 month period specified in the regulations if exceptional circumstances can be proved.	This matter is not covered in the current Policy Statement.

**TABLE 2**

The following table details our discretions in relation to scheme members who ceased active membership on or after 1 April 2009 and before 1 April 2015, being discretions under:

- the Local Government Pension Scheme (Administration) (Scotland) Regulations 2008 [prefix **A**]
- the Local Government Pension Scheme (Benefits, Membership and Contributions) (Scotland) Regulations 2008 (as amended) [prefix **B**]
- the Local Government Pension Scheme (Transitional Provisions) (Scotland) Regulations 2008 [prefix **T**]
- the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 [prefix **TP**]
- the Local Government Pension Scheme (Scotland) Regulations 2014 [prefix **R**]
- the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) [prefix **L**]

<b>Regulation</b>	<b>Discretion</b>	<b>Employer's Policy on the exercise of this discretion</b>	<b>Comment</b>
<b>A42(2)</b>	No right to a return of contributions due to an offence of a fraudulent character or grave misconduct unless the employer directs a total or partial refund is to be made.	SPT will not direct a return of contributions in the event of an offence of a fraudulent character or grave misconduct.	This matter is not covered in the current Policy Statement.
<b>A43(5)</b>	Employer may issue a certificate of protection where an employee fails to apply for one.	SPT will issue a certificate of protection of pension benefits if requested by the employee within twelve months of the date of reduction. A certificate may be issued on application from the member outwith the 12 month period specified in the regulations if exceptional circumstances can be proved such as the employee being unaware of this facility.	This matter is not covered in the current Policy Statement.
<b>A45 (1) &amp; (2)</b>	Whether Contribution Equivalent Premium (CEP) in excess of the Certified Amount (CA) recovered from a refund of contributions can be recovered from the Pension Fund.	SPT will consider each case on its merits.	This matter is not covered in the current Policy Statement.

<b>Regulation</b>	<b>Discretion</b>	<b>Employer's Policy on the exercise of this discretion</b>	<b>Comment</b>
<b>A66 (2) &amp; (6) A67 (1) &amp; (2)</b>	Whether to apply for forfeiture certificate (where a member is convicted of a relevant offence) and subsequently whether to direct that benefits are to be forfeited.	SPT may apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct that benefits are to be forfeited. Each case will be considered on its merits having regard to the particular circumstances.	This matter is not covered in the current Policy Statement.
<b>A68(2)</b>	Whether to recover from the fund any monetary obligation or, if less, the value of the member's benefits (other than transferred in pension rights or AVCs / SCAVCs) where the obligation was as a result of a criminal, negligent or fraudulent act or omission in connection with the employment and as a result of which the person has left the employment.	SPT may recover from pension benefits any loss arising from criminal, negligent or fraudulent act by a former employee, provided that all other efforts to recover monetary obligations have been exhausted, in the interests of maintaining confidence in the public service.	This matter is not covered in the current Policy Statement.
<b>A70(2) &amp; (3)</b>	Whether to recover from the fund any financial loss caused by fraudulent offence or grave misconduct of an employee (who has left because of that) or amount of refund if less.	SPT may recover from Strathclyde Pension Fund the amount of loss caused by fraudulent offence or grave misconduct of employee (who has left because of that), or the amount of refund if less. Each case will be considered on its merits having regard to the particular circumstances.	This matter is not covered in the current Policy Statement.
<b>B11(2)</b>	Whether to allow a member to select a final pay period for fees to be any three consecutive years ending with 31 March in the 10 years prior to leaving.	SPT will allow a member to select final pay for fees to be any three consecutive years ending 31 <sup>st</sup> March in the 10 years prior to leaving. SPT agree that this will automatically be done by SPF.	This matter is not covered in the current Policy Statement.



Regulation	Discretion	Employer's Policy on the exercise of this discretion	Comment
<b>B30(2)*</b>	Whether to grant application for early payment of benefits on or after age 50/55 and before age 60.	SPT does not have a general policy of granting early payment of benefits on or after age 50/55 and before age 60 but will consider requests on a case by case basis. SPT may exercise this discretion where a sound business case can be made for doing so or where other exceptional circumstances arise that make payment of those benefits justifiable and in accordance with the Early Retirement/Severance Policy.	This approach is consistent with the principles set out in current policy.  <a href="http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/Early_retirement_severance_policy2.pdf">http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/Early_retirement_severance_policy2.pdf</a>
<b>B30(5)*</b>	Whether to waive, on compassionate grounds, the actuarial reduction applied to deferred benefits paid early.	SPT does not have a general policy of waiving actuarial reductions where deferred benefits are paid early. Each case will be considered on its merits having regard to the particular circumstances and in accordance with the Early Retirement/Severance Policy.	This approach is consistent with the principles set out in current policy.

**TABLE 3**

**The following table details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1998 (as amended) in relation to pre 1 April 2009 scheme leavers:**

<b>Regulation</b>	<b>Discretion</b>	<b>Employer's policy on the exercise of this discretion</b>	<b>Comment</b>
<b>30(2)*</b>	Grant application from a post 31 March 1998 / pre 1 April 2009 leaver for early payment of benefits on or after age 50 and before age 60.	SPT does not have a general policy of granting early payment of benefits on or after age 50/55 and before age 60 but will consider requests on a case by case basis. SPT may exercise this discretion where a sound business case can be made for doing so or where other exceptional circumstances arise that make payment of those benefits justifiable and in accordance with the Early Retirement/Severance Policy.	This approach is consistent with the principles set out in current policy.
<b>30 (5)*</b>	Waive, on compassionate grounds, the actuarial reduction applied to benefits paid early for a post 31 March 1998 / pre 1 April 2009 leaver.  <b>Note:</b> any resultant strain cost from the exercise of this discretion will be charged to the employer regardless of the member's age at date of retirement.	SPT does not have a general policy of waiving, in whole or in part, the actuarial reduction on the benefits paid under regulation 30(2).  SPT may exercise this discretion where a sound business case can be made for doing so or where other exceptional circumstances arise that make payment of those benefits justifiable and in accordance with the Early Retirement/Severance Policy.	This approach is consistent with the principles set out in current policy.
<b>30 (7A)*</b>	Pre 1 April 2009 optants out only to get benefits paid from NRD if employer agrees.	SPT will only agree to benefits being paid to pre 1 April 2009 optants where there is no cost to SPT or where other exceptional circumstances arise.	This matter is not covered in current policy.

<b>Regulation</b>	<b>Discretion</b>	<b>Employer's Policy on the exercise of this discretion</b>	<b>Comment</b>
<b>33 (1)(b)</b>	Decide, in the absence from a post 31 March 1998 / pre 1 April 2009 leaver of an election from the member within 3 months of being able to elect, which benefit is to be paid where the member would be entitled to a pension or retirement grant under 2 or more regulations in respect of the same period of Scheme membership.	SPT may exercise this discretion in partnership with Strathclyde Pension Fund Office.  Each case will be considered on its merits having regard to the particular circumstances.	This matter is not covered in current policy.
<b>70(7)(a)</b>	Consent to a member's former employer assigning to the new employer rights under any SCAVC life assurance policy.	SPT will not exercise this discretion.	This matter is not covered in current policy.
<b>87 (2)</b>	No right to return of contributions due to offence of a fraudulent character unless employer directs a total or partial refund is to be made (pre 1 April 2009 leavers).	SPT will not direct a return of contributions in the event of an offence of a fraudulent character or grave misconduct.	This matter is not covered in current policy.
<b>91</b>	Contribution Equivalent Premium (CEP) in excess of the Certified Amount (CA) recovered from a refund of contributions can be recovered from the Pension Fund (pre 1 April 2009 leavers).	SPT will consider each case on its merits.	This matter is not covered in current policy.
<b>111(2) &amp;(5) 112(1)</b>	Forfeiture of pension rights on issue of Secretary of State's certificate (pre 1 April 2009	SPT will apply for a forfeiture certificate where a member is convicted of a relevant offence and, following the issue of the certificate, direct	This matter is not covered in current policy.

Regulation	Discretion	Employer's Policy on the exercise of this discretion	Comment
	<p>leavers).</p> <p>Where forfeiture certificate is issued, direct interim payments out of Pension Fund until decision is taken to either apply the certificate or to pay benefits (pre 1 April 2009 leavers).</p>	<p>that benefits are to be forfeited.</p>	
<b>113(2)</b>	<p>Recovery from Fund of monetary obligation owed by former employee or, if less, the value of the member's benefits (other than transferred in pension rights) (pre 1 April 2009 leavers).</p>	<p>SPT will consider each case covered by this position on its merits.</p>	<p>This matter is not covered in current policy.</p>
<b>115(2) &amp; (3)</b>	<p>Recovery from Fund of financial loss caused by employee, or amount of refund if less (pre 1 April 2009 leavers).</p>	<p>SPT may recover from Strathclyde Pension Fund the amount of loss caused by fraudulent offence or grave misconduct of employee (who has left because of that), or the amount of refund if less.</p> <p>Each case will be considered on its merits having regard to the particular circumstances.</p>	<p>This matter is not covered in current policy.</p>

**TABLE 4**

The following table details our discretions under the Local Government Pension Scheme (Scotland) Regulations 1987 (as amended) in relation to pre 1 April 1998 scheme leavers:

Regulation	Discretion	Employer's policy on the exercise of this discretion	Comment
E2(6)(b)	Grant application from a pre 1 April 1998 leaver for early payment of benefits on or after age 50 and before age 60.	<p>SPT will not have a general policy of granting early payment of benefits on or after age 50/55 and before age 60 but will consider requests on a case by case basis.</p> <p>SPT may exercise this discretion where a sound case can be made for doing so, or where other exceptional circumstances arise that make payment of those benefits justifiable and in accordance with the Early Retirement/ Severance Policy.</p>	<p>This approach is consistent with the principles set out in the current policy.</p> <p><a href="http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/Early_retirement_-_severance_policy2.pdf">http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/Early_retirement_-_severance_policy2.pdf</a></p>

**TABLE 5**

The following table details our discretions under the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998 (as amended):

Regulation	Discretion	Employer's policy on the exercise of this discretion	Comment
<b>D 4 (1)</b>	Power to increase statutory redundancy payments above statutory weekly pay limit.	SPT will calculate statutory redundancy payments based on the employee's actual pay where it exceeds the statutory weekly pay limit. SPT may exercise this discretion in accordance with the Early Retirement/Severance Policy.	This approach is consistent with the principles set out in current policy.  <a href="http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/Early_retirement_-_severance_policy2.pdf">http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/Early_retirement_-_severance_policy2.pdf</a>
<b>D 8(1)</b>	Decision on whether to award compensatory added years to an individual on retirement on efficiency / redundancy Grounds.	SPT may exercise this discretion in accordance with the Early Retirement/Severance Policy.	This approach is consistent with the principles set out in the current policy.  <a href="http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/Early_retirement_-_severance_policy2.pdf">http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/Early_retirement_-_severance_policy2.pdf</a>
<b>D 35</b>	Decision to award up to <u>104 weeks</u> compensation instead of compensatory added years.	SPT may exercise this discretion in accordance with the Early Retirement/Severance Policy.	This approach is consistent with the principles set out in current policy.  <a href="http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/Early_retirement_-_severance_policy2.pdf">http://spt.intranet.uk/wmslib/HR_OD/Staff_policies/Early_retirement_-_severance_policy2.pdf</a>

## APPENDIX 1 GLOSSARY

Term	Definition
Actuarial reduction	The amount a LGPS pension is reduced if it is taken before an individual's normal pension age
Actuarial enhancement	The amount an LGPS pension is increased if it is taken after an individual's normal pension age
Added pension	As in the LGPS 2008 and LGPS 2014 members will be able to purchase added pension in blocks of £250, payable at the appropriate pension age
APC	Additional Pension Contributions
Additional voluntary contribution (AVC)	Additional voluntary contribution (AVC) and free-standing additional voluntary contribution (FSAVC) schemes allow members of workplace pension schemes to pay extra contributions to build up additional benefits
Career Average of Revalued Earnings (CARE)	Career Average of Revalued Earnings. An alternative type of defined benefit pension scheme to a final salary scheme
Consumer Prices Index (CPI)	Consumer Prices Index. This is the current measure of inflation that the government has decided to use to ensure benefits from LGPS 1997, 2008 and 2014 keep pace with increases in the cost of living
Deferred pension	Pension built up by members who leave before retirement
Defined benefit	An occupational pension scheme that determines how much pension you will get by reference to a set formula, rather than the performance of investments and cost of annuities
Final salary scheme	A type of defined benefit pension scheme in which a pension is largely determined by salary at retirement
Gross contribution rate	The percentage of pensionable pay which is deducted before any account is taken of tax relief on pension contributions
IRMP	Independent Registered Medical Practitioners qualified in occupational health medicine
GMP	Guaranteed Minimum Pension
RPI	Retail Prices Index. This is the measure that was used prior to April 2011 for increases to pensions in payment and deferment. This has been replaced by CPI
LGPS	Local Government Pension Scheme
NRD	Normal Retirement Date

Term	Definition
Rule of 85	A provision in the LGPS 1997 that enabled some members with long service who retire below 65 to have their pension unreduced. This has been phased out, but some members have protected service under the transitional protection arrangements made in 2006
SCAPCs	Shared Cost Additional Pension Contributions
SPF	Strathclyde Pension Fund
SPFO	Strathclyde Pension Fund Office



# STRATHCLYDE PARTNERSHIP FOR TRANSPORT

## RETIREMENT POLICY

### Policy

#### 1. Statement of Policy

SPT is committed to ensuring that an effective, consistent and fair procedure exists when dealing with retirement.

The Strathclyde Pension Fund is the administering authority of the Local Government Pension Scheme for employees of Strathclyde Partnership for Transport.

This policy should be read in conjunction with the information available on the Strathclyde Pension Fund website [www.spfo.org.uk](http://www.spfo.org.uk).

#### 2. Scope of Policy

This policy applies to all SPT employees.

#### 3. Legislation

SPT's Retirement Policy will be based on the principles within the Equality Act 2010 and the current ACAS guidance 'Working without the Default Retirement Age' (DRA).

### Procedures

#### 4. Rules

##### Retirement Age

SPT has no requirement for an employee to retire at a particular age.

The Normal Retirement Age (NRA) defined by the Strathclyde Pension Fund (SPF) is equivalent to the State Pension age (minimum 65). An employee can retire and receive SPF benefits without any reductions from their NRA.

However, some employees can choose to retire on pension earlier or they may wish to work beyond the NRA whether they are a member of the Strathclyde Pension Fund or not.

Employees can elect to retire from age 60 years onwards without the permission of SPT although their pension may be subject to actuarial reduction, in accordance with the provisions of the Pension Scheme.

There may also be times when an employee needs to retire early because of ill health, voluntary severance, or changes that need to happen within their department. For more information about this, employees should contact the HR department.

## **5. Responsibilities**

### **5.1. Employee**

All employees have a responsibility:

- to be familiar with, and adhere to, this procedure.
- to inform their Manager of their chosen retirement date as soon as possible and at least 4 months before they wish to retire.
- to maintain regular contact with their Manager during the retirement process.

### **5.2. Line Manager**

Line Managers must make themselves aware of employees approaching normal retirement age in their team/department in order to consider the impact of retirement decisions on their workforce plan and succession planning activity.

In addition to their responsibilities as employees, Line Managers are also responsible for:

- ensuring they understand and correctly deploy this procedure equally, fairly and consistently to all employees
- ensuring all employees are made aware of this procedure in a timely way
- seeking the advice of their HR and Payroll representatives when dealing with all formal aspects of this policy, ensuring arrangements are in place for an HR representative to be present at all formal meetings and/or hearings
- meeting with employees requesting to retire and advising on options available in conjunction with HR and Payroll
- meeting with employees to discuss their career and retirement plans and to make them aware of pre-retirement courses available
- ensuring all formal decisions affecting the employee are confirmed in writing
- notifying their HR and Payroll representatives of any retirements in order to ensure the necessary paperwork is completed in time (at least four months before the employee wishes to retire)
- maintaining regular contact with the employee during the retirement process
- ensuring confidentiality is maintained at all times when operating within this policy framework.

## **6. Arrangements**

As there is no requirement for an employee to retire at a particular age, an employee wishing to retire at age 60 or onwards must inform their Line Manager of their intention to retire at least four months before the date on which they wish to retire.

The Line Manager must meet with the employee to discuss their decision and to facilitate the retirement process as outlined in section 5 above.

The employee's pension benefits may be delayed in the event that four months' notice is not provided.

## **7. Training**

Training will be provided where required, to Managers and Supervisors, to ensure successful implementation of the policy.

**8. Review**

This policy will be reviewed and updated as appropriate by the Director of Finance and HR after consultation with our recognised trade unions.

**9. Approval (Signature and Date)**

Signature:

\_\_\_\_\_

Date:

\_\_\_\_\_

Print: **Neil Wylie**

Designation: **Director of Finance & HR**

# STRATHCLYDE PARTNERSHIP FOR TRANSPORT

## FLEXIBLE RETIREMENT POLICY

### Policy

#### 1. Statement of Policy

The purpose of this policy is to enable employees to phase into retirement where this can be accommodated within budget whilst meeting the needs of the business as well as the preferences of the employee.

The discretion for the employer to allow an employee to access his/her pension but continue working on a reduced hours/grade basis is provided for in the Local Government Pension Scheme (Scotland) Regulations 2014.

SPT will consider, but is under no obligation to agree to, requests for flexible retirement (i.e. early payment of retirement benefits to a member who has reached the age of 55 and who, with SPT's consent, reduces his/her hours or job and grade). All such requests will be assessed in terms of operational and financial impact to ensure that service priorities are not compromised and that there is no financial detriment to SPT.

#### 2. Scope of Policy

The policy applies to all SPT employees.

#### 3. Eligibility Criteria

Strathclyde Pension Fund members are able to access their pension benefits while continuing in SPT's employment subject to all of the following conditions being met:

- employees must apply for early access to pensions payment in writing, be at least 55 years old and have 2 years scheme membership or have brought in a transfer (which equates to 2 years pensionable service) from another pension scheme
- employees must, with SPT's consent, reduce the hours they work by at least 40% and/or agree a reduction in their job and grade of at least one grade (please note that this option is less likely to be possible and may only occur in situations of Service Review)
- SPT agrees to the early payment of pension benefits.

## **Procedures**

### **4. Principles**

#### **4.1. Business Case**

Requests for flexible retirement will be subject to the same considerations as those relevant to proposals for early retirement and voluntary severance. Decisions on requests will be informed by the:

- demonstrable benefit(s) to SPT, in both cost and service terms, based on a full assessment of these and the quality and relevance of the overall business case, taking all relevant operational service and financial implications into account. For example, any 'strain' costs that may be incurred by SPT from agreeing to early release of pension benefits, impact on the quality of service delivery, impact on other staff, implications of any planned structural changes etc.
- interests of the employee balanced with the interests of SPT.

The following principles will also apply:

- flexible retirement must be for a minimum period of 6 months before the intended retirement date, and be a permanent contractual adjustment until a final retirement date is agreed.
- employees are not required to terminate their employment.
- employees are opting to access their full pension benefits accrued to the date of implementation (subject to any actuarial reduction).
- subject to any protection afforded to existing pension scheme members under Rule of 85, employees who take flexible retirement before their Normal Retirement Age as defined by the Strathclyde Pension Fund, will incur an actuarial reduction in their pension benefits. This reduction is made to compensate for the fact that they are accessing their pension early.
- employees may opt to continue paying pension contributions on their reduced salary and build up new pension benefits which will become payable on full retirement.

### **5. Reduction in Hours**

In considering requests for flexible retirement based on reduced hours, the general rule will be that there should be no additional cost to SPT and no adverse impact on service delivery. As a guide in these circumstances, SPT would normally expect at least a 40% reduction in the employee's contractual weekly working hours.

### **6. Reduction in Job and Grade**

An employee aged 55 or over may request to be redeployed to a lower graded post, and further request the release of accrued pension benefit. Where these requests are approved and implemented, pay will reduce to the rate of pay for the new post and the employee will receive pension benefit accrued only for previous service.

SPT is committed to equality of opportunity in employment, and care requires to be taken in the implementation of this option in order to ensure that the requirements of recruitment and selection policy are met. Therefore, when an employee wishes to apply for Flexible Retirement under this option, the Manager considering the request will, in effect, approve the application in principle only. The employee will be required to apply for vacant posts and attend competitive interviews etc. in the usual manner.

A service restructuring involving a redefinition of roles may provide the opportunity for flexible retirement, based on a reduction in grade, as an alternative to early retirement/voluntary severance.

A minimum reduction of at least one full salary grade will normally be necessary before flexible retirement on this basis would be considered.

## **7. Arrangements**

- 7.1. Formal requests for flexible retirement should be submitted by the employee to their line manager. The line manager will discuss the application with the relevant Director to determine whether it can be supported in principle. The Director will acknowledge receipt of the request and delegate a senior officer to make arrangements to meet with the employee, within 20 working days of receiving the request.
- 7.2. To allow sufficient time for costs to be obtained from Strathclyde Pension Fund and operational issues to be discussed and considered, requests for flexible retirement should be submitted no later than 4 months before the proposed implementation date. This gives the relevant parties enough time to:
  - produce cost estimates
  - draw up a business case
  - provide notice of retirement
  - pay out benefits.
- 7.3. Prior to agreeing to a request for flexible retirement on this basis, the nominated senior officer will require approval from the Assistant Chief Executive (Business Support) and Director of Finance & HR; where there is no excessive additional cost to SPT, the Request for Flexible Retirement may be approved in principle.
- 7.4. The employee will normally be informed of the 'in principle' decision, in writing, within 20 working days of the meeting.
- 7.5. Where a request can be supported in principle, details of the costs to SPT will be sought from Strathclyde Pension Fund and any actuarial reduction to the employee's pension benefits.
- 7.6. After reviewing the costs and benefits, if both SPT and the employee are happy to proceed, an effective date of implementation will be jointly agreed and the signed proposal passed to Human Resources for action.
- 7.7. Where a request cannot be accommodated the employee should be advised in writing.
- 7.8. Requests are approved at the sole discretion of SPT. There is no right of appeal in the event that the request is unable to be accommodated.

The Human Resources Department can provide advice and guidance on the procedure if required.

**8. Training**

Training will be provided where required, to managers and supervisors, to ensure successful implementation of the policy.

**9. Review**

This policy will be reviewed and updated as appropriate by the Director of Finance and HR after consultation with our recognised trade unions.

**10. Approval (Signature and Date)**

Signature:

\_\_\_\_\_

Print: **Neil Wylie**

Date:

\_\_\_\_\_

Designation: **Director of Finance & HR**

# STRATHCLYDE PARTNERSHIP FOR TRANSPORT

## EARLY RETIREMENT/SEVERANCE POLICY

### Policy

#### 1. Statement of Policy

SPT is committed to ensuring that an effective, consistent and fair procedure exists when dealing with efficiency retirement, ill-health retirement, voluntary or compulsory severance (redundancy).

The Strathclyde Pension Fund is the administering authority of the Local Government Pension Scheme for employees of Strathclyde Partnership for Transport. This policy should be read in conjunction with the information available on the Strathclyde Pension Fund website [www.spfo.org.uk](http://www.spfo.org.uk).

#### 2. Scope of Policy

This policy applies to all employees of SPT.

#### 3. Legislation

- Employment Rights Act 1996
- Trade Unions and Labour Relations (Consolidation) Act 1992

### Procedures

#### 4. Rules

##### 4.1 Retirement under ill-health

Retirements under ill-health are processed irrespective of age if it can be demonstrated that the employee is, in the opinion of our Occupational Healthcare practitioner, permanently incapable of discharging the duties of the post or any comparable post. Only a qualified occupational health practitioner registered and approved by the Strathclyde Pension Fund may make such a decision.

SPT operates in accordance with the regulations for LGPS.

**LGPS ill-health retirement benefits can be found on the Strathclyde Pension Fund website at [www.spfo.org.uk](http://www.spfo.org.uk).**



## 4.2 Redundancy

This will occur where:

- (a) The establishment where the employee works closes down.
- (b) The need for the employees carrying out the type of work on which the employee is contractually employed has ceased or reduced (the work itself may not have reduced – it is the need for the employees which is the test).
- (c) There is a change in the place of work of the employee, which is not allowed for in the contract of employment.

A redundancy payment will be made where an employee has at least two years continuous service at the time of the redundancy (see Appendix A). Redundancy pay is calculated using the employee's actual weekly pay.

Payment in lieu of notice will only be made in exceptional circumstances where the timescale for redundancy does not permit the employee to work his/her notice period.

Whether on a voluntary or compulsory basis, the severance terms provided will be the most favourable available, as follows:-

**Aged below 55, or aged below 50 if a pension fund member before 5 April 2006** – Redundancy pay of up to 66 weeks based on age and length of service.

**Aged 55 or over, or aged 50 or over and a pension fund member before 5 April 2006** pension with redundancy pay up to 30 weeks.

SPT has the discretion to offer added years up to a maximum of 6 & 2/3 years. The actual number of added years which may be available in any given year would therefore vary between zero and 6 & 2/3rds dependent upon the financial position at that time. The ceiling on the number of added years which can be awarded will be reviewed by the Chief Executive and Assistant Chief Executive (Business Support) annually, based on the Partnership's financial position and service priorities.

The cost of redundancy payments will be met by SPT, as will the on-going cost of added years enhancement.

## 4.3 Efficiency Retirement

Where savings may not be quickly realised by the non-filling of a post SPT will only approve early retirement on efficiency grounds in exceptional circumstances or on compassionate grounds. The added years element will be restricted to no more than the ceiling applicable to redundancy in the respective year as set out above.

SPT adopts a two tier approach to the approval of efficiency retireals.

**Level 1:** The Partnership's Personnel Committee will approve all efficiency retireals covering officers above Grade G, including Director Level, the Chief Executive and Assistant Chief Executives.

**Level 2:** With the Partnership's delegated authority, the Chief Executive and Assistant Chief Executive (Business Support) will approve all efficiency retirements covering staff up to and including Grade G.

## 5. Responsibilities

The Chief Executive and Assistant Chief Executives will consider and approve all instances of early retirement and severance (voluntary or compulsory) at Level 2 up to and including grade G posts. In conjunction with HR, Directors/Heads of Department/Managers/Supervisors will be responsible for ensuring appropriate procedures are followed and support provided, where required, to employees leaving the organisation under the terms of this policy.

## 6. Retirement Reporting

Notwithstanding the delegated authority given to the Chief Executive and Assistant Chief Executive (Business Support) all early or efficiency retirements will be reported annually to the Personnel Committee.

## 7. Training

Training will be provided where required, to managers and supervisors, to ensure successful implementation of the policy.

## 8. Review

This policy will be reviewed and updated as appropriate by the Director of Finance and HR.

## 9. Approval (signature and date)

Signature:

\_\_\_\_\_

Print: **Neil Wylie**

Date:

\_\_\_\_\_

Designation: **Director of Finance & HR**

# Agenda 6

## Appendix "A" Calculation Tables

### REDUNDANCY

Employees Aged below 55 or below 50 if a Pension Fund member before 5 April 2006

#### Completed Years of Service

Age	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
18																															
19		0.5	0.5																												
20		1	1	1																											
21		1.5	2	2	2																										
22		2	2.5	3	3	3																									
23		4	6	8	10	10	10																								
24		4	6	8	10	12	12	12																							
25		4	6	8	10	12	14	14	14																						
26		4	6	8	10	12	14	16	16	16																					
27		4	6	8	10	12	14	16	18	18	18																				
28		4	6	8	10	12	14	16	18	20	20	20																			
29		4	6	8	10	12	14	16	18	20	22	22	22																		
30		4	6	8	10	12	14	16	18	20	22	24	24	24																	
31		4	6	8	10	12	14	16	18	20	22	24	26	26	26																
32		4	6	8	10	12	14	16	18	20	22	24	26	28	28	28															
33		4	6	8	10	12	14	16	18	20	22	24	26	28	30	30	30														
34		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	32	32													
35		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	34	34												
36		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	36	36											
37		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	38	38										
38		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	40	40									
39		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	42	42								
40		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44	44	44							
41		4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44	46	46	46	46					
42		7	9	11	13	15	17	19	21	23	25	27	29	31	33	35	37	39	41	43	45	47	49	51	51	51					
43		10	12	14	16	18	20	22	24	26	28	30	32	34	36	38	40	42	44	46	48	50	52	54	56	56	56	56			
44		10	15	17	19	21	23	25	27	29	31	33	35	37	39	41	43	45	47	49	51	53	55	57	59	61	61	61	61		
45		10	15	20	22	24	26	28	30	32	34	36	38	40	42	44	46	48	50	52	54	56	58	60	62	64	66	66	66	66	
46		10	15	20	25	27	29	31	33	35	37	39	41	43	45	47	49	51	53	55	57	59	61	63	65	66	66	66	66	66	66
47		10	15	20	25	30	32	34	36	38	40	42	44	46	48	50	52	54	56	58	60	62	64	66	66	66	66	66	66	66	66
48		10	15	20	25	30	35	37	39	41	43	45	47	49	51	53	55	57	59	61	63	65	66	66	66	66	66	66	66	66	66
49		10	15	20	25	30	35	40	42	44	46	48	50	52	54	56	58	60	62	64	66	66	66	66	66	66	66	66	66	66	66
50		10	15	20	25	30	35	40	45	47	49	51	53	55	57	59	61	63	65	66	66	66	66	66	66	66	66	66	66	66	66
51		10	15	20	25	30	35	40	45	50	52	54	56	58	60	62	64	66	66	66	66	66	66	66	66	66	66	66	66	66	66
52		10	15	20	25	30	35	40	45	50	55	57	59	61	63	65	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66
53		10	15	20	25	30	35	40	45	50	55	60	62	64	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66
54		10	15	20	25	30	35	40	45	50	55	60	65	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66	66

Employees aged 55 and over or aged 50 and over if a Pension Fund member before 5 April 2006

Completed years of service

	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
<b>Age</b>																			
<b>50</b>	3	4.5	6	7.5	9	10.5	12	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5
<b>51</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16	17	18	19	20	21	22	23	24	25
<b>52</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5	25.5
<b>53</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19	20	21	22	23	24	25	26
<b>54</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	20.5	21.5	22.5	23.5	24.5	25.5	26.5
<b>55</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22	23	24	25	26	27
<b>56</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	23.5	24.5	25.5	26.5	27.5
<b>57</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25	26	27	28
<b>58</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	26.5	27.5	28.5
<b>59</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	29	29
<b>60</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	29.5
<b>61</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30
<b>62</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30
<b>63</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30
<b>64</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30
<b>65+</b>	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30