

2.03 Early Retirement and Early Severance

This policy is about the schemes for the retirement and severance of staff before minimum retiring age

- If you are aged 50 to 59 you may be able to retire early under a number of different categories – Section 2 Categories of Early Retirement/Severance
- If you are under the age of 50 you may be able to receive early severance – Section 2.2 Categories of Early Retirement/Severance
- Actuarially Reduced Pension is the only category under which you have a right to retire early. All other categories are subject to management invitation or veto. However you should be aware that there is an impact on your pension benefits. – Section 2.4 Categories of Early Retirement/Severance
- There are periods of notice specified if you are leaving under the early retirement and early severance schemes – Section 3 Periods of Notice
- The category of Compulsory Early Retirement and Redundancy enables management to retire you compulsorily on 3 grounds: Limited Efficiency, Structure and Redundancy – Section 6 Compulsory Early Retirement and Redundancy
- The category of Flexible Early Retirement allows management to offer you early retirement terms on 3 grounds: Limited Efficiency, Limited Promotability and Structure – Section 7 Flexible Early Retirement
- There are two elements of Approved Early Retirement, both of which apply only where it is deemed by management to enhance departmental efficiency – Section 8 Approved Early Retirement
- Under Approved Early Retirement, Element (a), if you are aged 50 or over with 5 years' or more qualifying service, you may apply for a scheme – Section 8.2 Element (a)
- Under Approved Early Retirement, Element (b), if you are aged 55 or over, with at least 25 years' qualifying service, you may apply to retire under the Approved Early Retirement terms – Section 8.4 Element (b)
- The grounds for Compulsory Early Severance and Flexible Early Severance, which apply to staff aged under 50, are the same as for Compulsory Early Retirement and Flexible Early Retirement - Section 10 Compulsory Early Severance/Flexible Severance

[If you are over age 50 you may be able to continue working and take some or all of the pension you have built up. Pending the inclusion of “Partial Retirement” into this Handbook you should refer to the Civil Service Pensions Website; www.civilservicepensions-ni.gov.uk for further details]

The following terms within this policy are defined in the glossary:

There are currently no terms within this policy defined in the glossary.

You may also be interested in the following policies;

2.04 Early Retirement on Medical Grounds, 6.07 Inefficiency Performance, 2.07 Civil Service Appeal Board, 2.01 Redundancy and The Rules of the Principal Civil Service Pension Scheme (PCSPSN) at www.civilservicepensions-ni.gov.uk

This policy is version 5.

For a printable version please click the icon. Please make sure that your printed version is current with the one on this portal.

This homepage is only a guide to the policy, not the policy itself. In the event of any discrepancy between the content of this homepage and the associated policy, the wording of the policy shall apply.

2.03 EARLY RETIREMENT AND EARLY SEVERANCE

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2.03 EARLY RETIREMENT AND EARLY SEVERANCE

[IF YOU ARE OVER AGE 50 YOU MAY BE ABLE TO CONTINUE WORKING AND TAKE SOME OR ALL OF THE PENSION YOU HAVE BUILT UP. PENDING THE INCLUSION OF “PARTIAL RETIREMENT” INTO THIS HANDBOOK YOU SHOULD REFER TO THE CIVIL SERVICE PENSIONS WEBSITE; www.civilservicepensions-ni.gov.uk FOR FURTHER DETAILS]

1 Introduction

1.1 This Section of the HR Handbook gives details of the scheme for the retirement/severance if you retire before the **pension age for the pension scheme. The early retirement and severance benefits will be calculated in line with the rules governing the particular pension arrangement (Classic, Premium or Classic Plus) to which you belong. This is particularly relevant to Departments considering in-year and ongoing costs for the particular type of leaver.**

2 Categories of Early Retirement/Severance

2.1 Early retirement applies to staff aged 50-59. The categories of early retirement are:

- a. Compulsory Early Retirement and Redundancy;
- b. Flexible Early Retirement;
- c. Approved Early Retirement; and
- d. Actuarially Reduced Retirement.

2.2 Early severance applies to you if you are under the age of 50. The categories of early severance are:

- a. Compulsory Early Severance; and
- b. Flexible Early Severance.

2.3 Separate arrangements exist for retirement on medical grounds (see section 2.04 Early Retirement on Medical Grounds) and dismissal on grounds of inefficiency (see sections 6.06 Inefficiency Sickness Absence and 6.07 Inefficiency Performance).

2.4 Actuarially Reduced Pension is the only category under which you have a right to retire early. All other categories are subject to management invitation or veto.

2.5 If you leave under the categories of Flexible Early Retirement, Flexible Early Severance, Approved Early Retirement and Actuarially Reduced Retirement, you do so willingly and no element of compulsion is attached to these schemes.

3 Periods of Notice

3.1 The periods of notice for if you are leaving under the early retirement and early severance schemes set out in this section are:

- a. Compulsory Early Retirement and Compulsory Early Severance on grounds of limited efficiency and structure: **6 months**.
- b. Compulsory Early Retirement and Compulsory Early Severance on grounds of compulsory redundancy: **6 months**; except:
 - i. if you are aged 60 or over with more than 10 and less than 25 years' service: **9 months**;
 - ii. if you are aged 60 and over with less than 10 years' service: **12 months**; (NB: notice must not extend beyond the 65th birthday);
 - iii. if you are on conditional appointments with more than 2 and less than 5 years' service: **3 months**;
 - iv. if you are on conditional appointments with less than 2 years' service: **at least the minimum required under employment law**.
- c. Compulsory Early Retirement and Compulsory Early Severance on grounds of voluntary redundancy: **to be mutually agreed**.
- d. Flexible Early Retirement and Flexible Early Severance: **to be mutually agreed**.
- e. Approved Early Retirement: **to be mutually agreed**.
- f. Actuarially Reduced Retirement: **6 months (or a shorter period if agreed by the Department)**.

3.2 If the Department is unable to provide work for the whole of the minimum period of notice, you should be paid for the unexpired portion, but this should not be done if you leave voluntarily with the agreement of your Department before the end of your period of notice.

3.3 The cut-off point of age 50 which distinguishes between early retirement and early severance may be of financial significance to you if you leave just before your 50th birthday. Where it is within management control, the possible detrimental effect of the age cut-off point on an individual will be among the factors taken into account in determining the last day of service.

4 Terms

4.1 The terms applicable to each category of early retirement and early severance are set out in the Code Section “Superannuation” which can be found on the Pensions website at www.civilservicepensions-ni.gov.uk.

5 Appeals

5.1 If you are retired under the categories of Compulsory Early Retirement and Compulsory Early Severance on grounds of limited efficiency, structure or compulsory redundancy, you may appeal to the Civil Service Appeal Board. Further appeals may also be made to an Industrial Tribunal.

6 Compulsory Early Retirement and Redundancy

Purpose

6.1 This category enables Departments to retire you compulsorily before **pension age for the pension scheme**. The grounds are:

- a. limited efficiency;
- b. structure;
- c. redundancy, including voluntary redundancy as a pre-redundancy measure.

Limited Efficiency

6.2 This category applies only to you if you are in a mobile grade and your performance no longer adequately measures up to the requirement of the grade or if you fail to carry out the full duties satisfactorily. Each case will need to be considered on its merits. As an illustration of the level of performance which might justify action, limited efficiency could be considered where you have been given a Box 4 overall performance assessment on at least 2 successive occasions in the normal reporting cycle. Downgrading as an alternative must be seriously considered before a retirement board is set up.

6.3 If your performance is falling below the standard required of your grade, you will be informed of your weaknesses and given time, opportunity, encouragement and appropriate training to put matters right. This is particularly important where performance has fallen to the extent that a Box 4 marking would be appropriate. You must be given informal warnings, indicating in what respects your performance has not come up to standard. The informal warnings which may be verbal and/or written will normally be given by line management in the course of day-to-day working relationships, and it will be normal practice to include them in the course of an appraisal or career development interview. To ensure consistency of treatment, such warnings will also be confirmed in writing by Establishment/Personnel Branch.

6.4 A formal warning will be given by Establishment/Personnel Branch if performance does not improve to the required standard and a Box 4 overall rating is given in the next report. This warning, which must be confirmed in writing, must make it clear that failure to improve to the required standard within a specified trial period of not less than 3 months will result in the setting up of a retirement board to consider the case and recommend action.

6.5 If these warnings fail to produce an acceptable improvement, a retirement board, as agreed in Departmental Whitley Council discussion, will be set up. The retirement board should normally be chaired at least at Grade 6 level and the members of the board must be at least 2 grades above that of the member of staff whose case is being considered.

6.6 The retirement board will consider each case on the basis of a memorandum prepared by the Establishment/Personnel Branch setting out the shortcomings in detail. A copy of the memorandum must be made available to you, and you must be given the opportunity to present your case to the retirement board and to be assisted by a trade union representative or colleague. The retirement board will consider, as an alternative to early retirement, whether downgrading or some other course of action would be appropriate. If the retirement board recommends retirement on grounds of limited efficiency, you may appeal to the Civil Service Appeal Board in accordance with procedures set out in section 2.07 Civil Service Appeal Board.

6.7 Because of the opportunities there may be for finding alternative work at the same or a lower level for staff of limited performance, compulsory retirement of staff in the general service grades below Grade 6 level on grounds of limited efficiency is expected to be exceptional.

Structure

6.8 If you are at **Grade 6 level** and above, you may be compulsorily retired early on structural grounds, for example where there is a very bad age distribution in a particular group of staff leading to serious blockage and consequent difficulty in the management of that part of the Service.

Redundancy

6.9 When it is clear that there is likely to be a surplus of non-industrial staff in any given area of work, a redundancy situation will not be declared until the pre-redundancy measures set out in section 2.01 Redundancy have been fully explored. These measures include use of voluntary and compulsory early retirement. **Note paragraphs 11.1 and 11.2.**

7 Flexible Early Retirement

Purpose

7.1 This category which is not applicable to industrial staff enables management to invite specific individuals to leave the Civil Service in the interests of the efficiency and effectiveness of the Service. It is not intended to be used as an alternative to redundancy provisions. Where a staff surplus occurs as a direct result of manpower contractions, this will be dealt with according to the rules contained in section 2.01 Redundancy. There are 3 grounds for Flexible Early Retirement:

- a.** limited efficiency;
- b.** limited postability;
- c.** structure.

Limited Efficiency

7.2 Retirement under the Flexible category may be considered for you if:

- a.** you have received an overall performance rating of Box 4 on at least one occasion;
- b.** after appropriate remedial action including ongoing help, encouragement and training, you are considered by line and personnel management as being unlikely to improve; and
- c.** you might be willing to retire.

If you are in any of these categories, you may be invited to consider Flexible Early Retirement. No pressure will be put on you to accept, and you will be given reasonable time in which to consider the offer. If the offer is declined, you will be informed of your weaknesses and given time, opportunity and encouragement to improve in accordance with the informal warning process (see paragraph 6.3). If you are in the non-mobile grades, however, you are eligible only where there is a limited opportunity to find suitable work at the same or lower level.

Limited Postability

7.3 This category applies where your performance is not inadequate but there are overriding management reasons why you must be moved to another post or location, and because of your limited or specialised background or experience you cannot be expected to give effective service in another post for your remaining years of service. This generally arises in the case of mobile staff whose specialised background or nearness to minimum retiring age makes it impracticable to consider other measures, for example retraining. It is less likely that if you are non-mobile non-industrial staff you would meet the “limited postability” criteria, but this is not ruled out.

Structure

7.4 This category may be used where your departure would assist in:

- a.** redressing an age imbalance which is likely to reduce Departmental efficiency or effectiveness in a serious way;
- b.** easing problems of succession planning, whether on a large or individual scale;
- c.** meeting a need to reshape the organisation of the whole or part of the Department; or
- d.** the removal of promotion blockages or the creation of promotion opportunities where there is clear evidence that this will enhance the efficiency of the Department.

Note paragraphs 11.1 and 11.2.

8 Approved Early Retirement

Purpose

8.1 This category which has two elements, is to stimulate improvements in the effectiveness and efficiency of Departments and to assist their manpower planning by enabling you to retire early provided that management is absolutely satisfied in each case that the retirement will enhance Departmental efficiency.

Element (a)

8.2 This element is to aid Departments in reducing Departmental surpluses, to help resolve management difficulties and improve efficiency and to assist in reaching manpower targets. It may be used where surpluses cannot be removed by other means, for example local transfer and where management difficulties might arise by the use of compulsory transfers. An Approved Early Retirement (a) scheme may be declared where there is a surplus in either the Department as a whole or in a particular grade (or skill/discipline within a grade) in a particular location. Applications can be invited from individuals in the groups affected who are aged 50 or over with five years' or more qualifying service. The criteria for selection will be discussed in advance with the Departmental Trade Union Side and made known to you. Departments have the discretion to refuse applications if there is an overriding need in the public interest.

8.3 You will be informed why your application has been refused. Departments have a responsibility to ensure that this category is used in a way which is compatible with the maintenance of an efficient staff structure. Due regard will, however, be paid to any relevant welfare and personal circumstances or where compulsory transfer might otherwise arise. Departments should consult with Employment Conditions and Pensions Division of the Department of Finance and Personnel (DFP) before asking for volunteers.

Element (b)

8.4 Under this element, if you are aged 55 or over with at least 25 years' qualifying service (added years count for this purpose) you may apply to retire. Retirements are subject to management approval, as Departments need to be satisfied that each retirement will contribute to overall efficiency. Employment Conditions and Pensions Division of DFP will consider each case and will determine whether sufficient funds are available to meet the extra cost.

8.5 While this element allows staff with long service (including those who have achieved 40 years or more) an opportunity to influence the date of their retirement, the overall intention is to contribute towards the easing of such problems as promotion blockage, age and/or skill imbalance and morale and motivation. The selection criteria will take account of Departmental circumstances and priorities. Relevant factors might include:-

ability to fill the ensuing vacancy: for example, any special skills or training, either of the applicant or needed in a successor;

opening up of promotion opportunities and the availability of good quality staff in the promotion queue;

age patterns, opportunity to improve the age profile, or alternatively the adverse effect on the age profile;

potential offsetting salary savings, fluid grading;

any welfare or personal circumstances;

length of service.

Note paragraphs 11.1 and 11.2.

9 Actuarially Reduced Retirement

Purpose

9.1 This category enables you to exercise a right to retire early at no additional cost to the Exchequer. If you are aged 50 or over you have the right to retire with actuarially reduced superannuation benefits, subject to your actuarially reduced pension not being less than the rate of guaranteed minimum pension payable under the Social Security Pensions (NI) Order 1975. Departments will ensure that if you express an interest you are fully informed of the precise financial implications.

9.2 The Actuarially Reduced Retirement category does not affect the option for you if you have at least two years' qualifying service to resign and preserve your superannuation benefits. There is no automatic right for you if you are serving out notice of your intention to retire under the Actuarially Reduced Retirement category to withdraw that notice, but Departments may give such requests reasonable consideration, for example where the circumstances change, which were the basis for the original decision to retire. **Note paragraphs 11.1 and 11.2.**

10 Compulsory Early Severance/Flexible Early Severance

10.1 The categories of Compulsory Early Severance and Flexible Early Severance have the same purposes, grounds, criteria and procedures as the categories of Compulsory Early Retirement and Flexible Early Retirement, and are applied to you if you are aged under 50. Before initiating early severance procedures, Departments will consider all practical means of retaining you if you are under 50 in the service, for example transfers, retraining or further training, or regrading. In situations where **redundancy among non-industrial** staff has been declared, this will be subject to the provisions of section 2.01 Redundancy in relation to order of discharge.

11 The Role of The Department of Finance and Personnel

11.1 All cases where early retirement/severance is proposed must be submitted to Employment Conditions and Pensions Division of the Department of Finance and Personnel for consideration before any commitment is entered into with any member of staff.

11.2 Where Departments propose to retire you on grounds of inefficiency or compulsorily retire you on grounds of limited efficiency they must in the first instance consult Employment Conditions and Pensions Division of the Department of Finance and Personnel to ensure sufficient funding is available.