

**REPORT TO: TAYSIDE VALUATION JOINT BOARD – 9 FEBRUARY 2026**

**REPORT ON: FLEXIBLE RETIREMENT POLICY - UPDATE**

**REPORT BY: ASSESSOR**

**REPORT NO: TVJB 6-2026**

## **1 PURPOSE OF REPORT**

1.1 To present to the Board the revised Flexible Retirement Policy for approval.

## **2 RECOMMENDATIONS**

2.1 It is recommended that the Board approves the policy on Flexible Retirement attached as Appendix 1.

## **3 FINANCIAL IMPLICATIONS**

3.1 Flexible retirement requests may have financial implications, including potential pension strain costs. In some cases, flexible retirement may also deliver efficiencies or savings. The financial implications of each request will be assessed on a case-by-case basis as part of the application process.

## **4 POLICY IMPLICATIONS**

4.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty and Equality Impact Assessment. There are no major issues.

## **5 BACKGROUND**

5.1 The Joint Board approved its Flexible Retirement Policy in November 2009. The Policy provides a framework for considering eligible employee requests for flexible retirement in accordance with the Local Government Pension Scheme (Scotland) provisions.

The Policy supports workforce planning, retention of skills and experience, and employee wellbeing, while ensuring that any flexible retirement arrangements are affordable and can be accommodated without detriment to service delivery.

A significant period of time has elapsed since the Policy was last formally considered by the Joint Board. In light of changes to the LGPS (Scotland) Regulations, SPPA guidance, and evolving workforce and operational needs, the Policy has been reviewed and updated.

## **6 PROPOSED UPDATE**

6.1 The Flexible Retirement Policy and Procedure have been reviewed and updated to ensure they remain current, clear and legally robust, and that the Board's exercise of discretion is consistent with the requirements of the LGPS (Scotland) Regulations and relevant SPPA guidance.

The revised Policy strengthens and clarifies:

- the principles underpinning decision-making and the requirement for case-by-case consideration;
- a clearer application and approval process, including supporting information and pension estimates;
- clearer roles and responsibilities in assessing operational impact and affordability; and
- improved governance, including recording the factors considered and the reasons for decisions.

A key change is that flexible retirement arrangements will be agreed on a fixed-term basis, with an agreed end/retirement date confirmed in writing as part of the contract variation process.

The original Policy has been included at Appendix 2 for reference.

## **7 CONSULTATION**

- 7.1 Dundee City Council Human Resources has been consulted during the review and update of the Policy to ensure the revised approach reflects current HR standards and supports consistent application.
- 7.2 Consultation has also been undertaken with staff and recognised Trade Union representatives on the draft revised Policy and Procedure, and any feedback received has been considered in finalising the document.
- 7.3 The Clerk and Treasurer to the Joint Board have also been consulted on this report.

## **8 BACKGROUND PAPERS**

- 8.1 None.

**DARRYL RAE**  
Assessor

**February 2026**

# **APPENDIX 1**

## ***TAYSIDE VALUATION JOINT BOARD***



## **FLEXIBLE RETIREMENT POLICY**

## IMPLEMENTATION AND REVIEW

Responsibility for the implementation and annual review of this policy together with the communication of any resultant amendments across the Board and to relevant third parties is assigned to the Information Asset Owner (currently the Assessor).

### Revision History

Version	Originator	Summary of Changes	Date	Next Review
Original			November 2009	
2.0	D. Rae	Fully rewritten to reflect updated LPGS Guidance and operation needs.	29/01/2026	31/03/2029

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## Introduction

Tayside Valuation Joint Board recognises that the transition from full-time employment to retirement can be a significant life change. The flexible retirement provisions of the Local Government Pension Scheme enable employees to reduce their working commitment while easing into retirement, maintaining valuable skills and experience within the organisation.

## Policy Statement

The Local Government Pension Scheme (Scotland) Regulations allow 'flexible retirement'. This describes circumstances where, with their employer's consent, a member of the pension scheme who has two years' pensionable service and who has reached the age of 55 reduces the hours they work, or the grade in which they are employed, and receives accrued pension benefits even though they have not retired from employment.

The Board is committed to flexible working in general, recognising that it can bring significant benefits both to employees and service users. It enables employees to achieve a healthy balance between their job and personal commitments, helping to improve their morale and wellbeing and thereby to increase their effectiveness at work. This results in improved customer service, increased efficiency and reduced costs.

The Board supports flexible retirement in particular, because it allows employees a reasonable period to adjust their work/life balance as they approach retirement and also because it can enable the Board to manage the transfer and replacement of skills and experience.

All applications for flexible retirement will be considered on their individual merits in line with the requirements of the LGPS(S) Regulations and guidance from the Scottish Public Pensions Agency (SPPA).

## Principles

- **Discretionary Power:** The decision to grant flexible retirement is at the discretion of the Board. This discretion must be exercised fairly and not be fettered by inflexible policy rules (e.g., blanket refusals based solely on cost).
- **Case-by-Case Consideration:** Each application will be considered individually, taking into account all relevant circumstances, such as the employee's health, caring responsibilities, operational needs, and potential cost savings (e.g., reduction in hours or responsibilities).
- **Evidence-Based Decisions:** Decision-makers must document the factors considered and the reasons for their decision. All relevant facts must be taken into account, and the rationale must be clear and justifiable.
- **Right of Appeal:** Employees have the right to appeal decisions relating to flexible retirement in accordance with Regulation 71(2) of the LGPS(S),

Accordingly, when considering requests for flexible retirement, the Board will take account of the following criteria:

- The Board will consider the financial implications of each request, including any pension 'strain' costs.
- Before agreeing to an application of flexible retirement the Board would require an advanced resignation. The period of notice would be equal to the period of flexible retirement. The reason for leaving at the end of the period of flexible working will be resignation of the employee.

- Where an employee wishes to terminate flexible retirement early or extend the period of flexible retirement this should be discussed with their manager in the first instance. Any proposed change will be subject to the same approval process.
- A request will not be approved where the proposed change to work arrangements is likely to adversely affect service delivery. The granting of a request should assist workforce planning.
- An employee's salary following flexible retirement, when added to their pension payment, must not exceed their original salary.
- An employee may only make one request for flexible retirement within any period of one year unless it is identified as an option to facilitate a service reorganisation/restructuring or there is a significant change in the employee's personal circumstances.

## **Flexible Retirement Options**

Flexible retirement may involve a reduction in working hours or, where appropriate, movement to a post at a lower grade. Both arrangements are considered under the same policy and procedure. Any change in grade will be managed in accordance with the Board's normal Recruitment and Selection procedures. All requests for flexible retirement will be assessed using the same criteria and approval process, regardless of whether they involve reduced hours or a change in grade.

### **Flexible Retirement – Procedure (Reduced Hours or Lower Grade)**

This procedure applies to requests for flexible retirement under Regulation 29(5) of the LGPS (Scotland) Regulations, where an employee aged 55 or over seeks to reduce working hours or move to a lower-graded post and draw pension while remaining in employment.

The Board will consider the financial implications of each request, including any pension strain costs, alongside operational requirements and the circumstances of the case. Each application will be determined on its individual merits.

#### **Step 1 — Submission**

The employee completes the Flexible Retirement Request Form and submits it to the Assistant Assessor, confirming the proposed change (hours/grade), start date and intended duration (normally up to 2 years).

#### **Step 2 — Acknowledgement & Initial Meeting (within 20 working days)**

The Assistant Assessor (or nominated manager) acknowledges receipt and arranges an initial meeting within 20 working days to discuss the proposal, operational implications and the assessment process.

#### **Step 3 — Pension Estimate & Financial Assessment**

The Administration Manager (Finance/Personnel) requests a pension estimate and statement of financial implications (including any pension strain cost and staffing impact), at the earliest opportunity, liaising with the Pensions Team and relevant budget holders.

#### **Step 4 — Employee Confirmation**

The employee is provided with the pension estimate and must confirm in writing within 14 calendar days whether they wish to proceed. If they decline or do not respond within the timescale, the request will not be progressed.

#### **Step 5 — Business Case Evaluation**

The Assistant Assessor, in consultation with the line manager where appropriate, will assess the request taking account of service impact, workforce planning/succession benefits and financial implications and, where relevant, Recruitment & Selection and Equal Opportunities requirements.

The Assistant Assessor will prepare a written recommendation, setting out whether the request is supported or not supported, together with the reasons and relevant supporting information.

*Note (lower grade): any move to a lower-graded post is subject to normal recruitment processes. Approval of flexible retirement does not guarantee appointment.*

### **Step 6 — Approvals**

The request and recommendation will be submitted for decision. Before any agreement can proceed, approval must be obtained from the Assessor and the Treasurer.

Where a request is not supported, the recommendation and reasons will still be submitted to the Assessor and Treasurer for determination.

### **Step 7 — Decision & Timescale**

The aim is to complete assessment and approvals within four months of submission. The employee will receive written notification of the decision within 20 working days of approval/refusal.

### **Step 8 — Agreement & Contract Variation (if approved)**

Where approved, the Administration Manager issues written confirmation and a contract variation letter setting out the start date, duration (normally up to 2 years), end date, and any conditions.

### **Step 9 — Pension Release & Record Updates**

Approved papers are forwarded to the Pensions Section to release benefits, and HR/payroll records are updated accordingly.

### **Step 10 — Completion**

Following implementation, the Administration Manager will ensure all relevant employment records are updated and will liaise with the Pensions Team/Pensions Section as required to confirm pension payments and any associated administration.

In exceptional circumstances, it may be necessary to review an agreed flexible retirement arrangement. In such cases, HR advice should be sought and any agreed changes confirmed in writing.

## APPENDIX 2

### **TAYSIDE VALUATION JOINT BOARD POLICY ON FLEXIBLE RETIREMENT**



#### **INTRODUCTION**

The Local Government Pension Scheme (Scotland) Regulations allow for flexible retirement with the employer's consent, where an employee is aged 50 or over\*. An employee, who meets the age requirement, may therefore make a request to the Board to reduce the number of hours he/she works, and to authorise the release of accrued pension benefits; or to reduce the grade of the post he/she occupies, ie to be redeployed to a lower graded post, and to authorise the release of accrued pension benefits. On receipt of such a request, the Board has discretion on whether to approve the request to reduce hours or reduce the grade of the post occupied; and thereafter, if the employee is under age 60, on whether to release the employee's pension benefits.

Where release of the pension benefits is agreed there may, or may not, be a cost to the Board.

Tayside Valuation Joint Board recognises that the transition from work to retirement can be a daunting prospect to those employees reaching that stage. The Board has already implemented a Flexible Working Policy to recognise and support employees with caring responsibilities as well as assist in achieving work-life balance. This policy will further assist those employees who are approaching retirement and wish to gradually reduce working time or the level of duties and responsibilities at work, in order to improve work-life balance and to assist in the transition from work to retirement.

#### **POLICY STATEMENT**

Tayside Valuation Joint Board is committed to supporting its employees in balancing the demands made on them by work-life, home-life, and at the various stages in their working lives. Where an employee wishes to take advantage of the benefits of flexible retirement, then the Board will seek to support the request providing that there is no resulting detriment to the quality of service and no excessive cost to the Board.

Whilst the regulations do not stipulate a minimum reduction in working time, and each request will be considered according to the particular circumstances of the case, approval to release the employee's pension benefits will only be granted where the revised income of the applicant (ie reduced salary added to pension payment) does not exceed current salary.

#### **REDUCED WORKING TIME**

An employee, aged 50 or over\*, may request to reduce working hours, in any way that suits his/her circumstances i.e. may reduce daily hours, weekly hours, or may request to work job-share, and further request the release of accrued pension benefit. Where these requests are approved, pay will reduce pro rata for hours worked, and the employee will receive pension benefit accrued for previous service.

\* 55 or over, with effect from 1 April 2010

The Board already has a Flexible Working Policy, and managers will be required to give similar consideration to a request for Flexible Retirement, however, in the case of Flexible Retirement, there will be a further decision to make regarding the release of pension benefits where the employee is under age 60.

In making this assessment, the nominated senior officer will consider the potential to make efficiency savings by reorganising work more effectively, etc, as well as any cost to the Board resulting from a strain on the pension fund. Where there is a good business case for the proposed change and any additional cost to the Board is not excessive, the Request for Flexible Retirement may be approved.

### **Reduced Working Time - Procedure**

- 1 The employee must apply in writing to the Assessor, requesting Flexible Retirement from his/her post and stating the working hours and pattern which he/she wishes to work.
- 2 The Assessor 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;
- 3 The nominated senior officer will seek information on any strain on the pension fund, chargeable to the employer, from the Pensions Section at the earliest opportunity in order that timescales may be met;
- 4 Prior to agreeing to a request for flexible retirement, the line manager will require approval from the Assessor and the Treasurer;
- 5 Where the proposed pattern of work can be accommodated with no detriment to the efficient and effective operation of the service, the Request for Flexible Retirement may be approved. The employee will normally be informed of the decision, in writing, within 20 working days of the meeting;
- 6 If the request is approved, the relevant approval papers will be forwarded to the Pensions Section, in order that the pension benefit may be released;
- 7 A letter detailing the new working arrangement will be drawn up and agreed with the employee. This will constitute a formal amendment to the employee's terms and conditions of employment.
- 8 The Pensions Manager will advise the employee of the pension arrangements.

### **REDUCED GRADE**

An employee aged 50 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 for previous service.

The Board is committed to Equal Opportunities in Employment, and care requires to be taken in the implementation of this option in order to ensure that the requirements of the Recruitment and Selection policy are met.

Therefore, when an employee wishes to apply for Flexible Retirement under this option, the Line 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.

The line manager will make a decision on the Flexible Retirement Request based on potential benefits to the efficiency of the service balanced against any additional costs chargeable to the Board as a result of any strain on the pension fund.

### **Reduced Grade - Procedure**

- 1 The employee must apply in writing to the Assessor, requesting Flexible Retirement from his/her current post, in principle, should he/she be successful in applying for a lower graded post;
- 2 The Assessor 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;
- 3 The nominated senior officer will seek information on any strain on the pension fund from the Pensions Section at the earliest opportunity in order that timescales may be met;
- 4 Prior to agreeing to a request for flexible retirement on this basis, the nominated senior officer will require approval from the Assessor and the Treasurer.
- 5 Where there is no excessive additional cost to the Board, the Request for Flexible Retirement may be approved in principle, however, it is the employee's responsibility to apply for suitable vacancies as they occur;
- 6 The employee will normally be informed of the decision, in writing, within 20 working days of the meeting;
- 7 If the request is approved and the employee subsequently succeeds in finding a lower graded post, the relevant approval papers will be forwarded to the Pensions Section, in order that the pension benefit may be released;

The Personnel Department of Dundee City Council can provide advice and guidance on the procedure if required.