



**PROCESS FOR APPLYING THE 'RULE
OF 85' WHERE AN EMPLOYEE
WISHES TO REQUEST TO DRAW
THEIR LOCAL GOVERNMENT
PENSION SCHEME BENEFITS ON OR
AFTER AGE 55 AND BEFORE AGE 60**

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SECTION 1: INTRODUCTION

The Council's policy position on applying the Rule of 85 for employer consent retirements is that it is 'switched off' but that a decision can be made on a case by case basis to 'switch it on' where it considers that it is in its financial and operational interests to do so. Each case would be considered on the merits of the financial and operational business case put forward and would require the approval of the Chief Executive or nominated deputy.

SECTION 2: RULE OF 85 – SWITCHED ON

In cases where the Rule of 85 is to be 'switched on', the Director/Head of Service would initially consider the merits of the case and whether it was financially acceptable and operationally feasible (compiling the costed business case) bearing in mind that a 'Strain on the Fund' cost would require to be paid by the Council. If the case was assessed as being financially acceptable and operationally feasible, it would be passed to the Chief Executive or nominated deputy for final approval. The entire process is as follows (also shown in the flow chart at Appendix D):-

- The employee contacts their Service Manager to enquire about leaving on the basis of early retirement with employer's consent (where they are 55 or over and under 60). (If the requesting employee is a Service Manager or above they will need to contact their Line Manager i.e. Head of Service or Director).
- The Manager who receives the request is required to contact the Team Leader, Resourcing, in HR, to arrange for a quotation to be prepared on the basis of Rule of 85 being 'switched on' if they are prepared to consider making a recommendation to support the application by the employee.
- The Team Leader, Resourcing, in HR, will arrange for a quotation to be prepared and will supply this to the requesting Manager at the earliest opportunity.
- The requesting Manager examines the quotation along with the Head of Service/Director to identify if it would be financially acceptable and if so whether it would be operationally feasible to release the employee. The Head of Service/Director takes the decision on whether the case can progress to the next stage of the process.
- Where the case is deemed not to be financially and/or operationally acceptable/feasible, the process ends and the employee is informed of this by the Manager (although the case could then be considered on the basis of the Rule of 85 being 'switched off' – see below).
- Where the case is deemed to be both financially and operationally acceptable/feasible by the Head of Service/Director, the Manager meets the

employee to discuss how matters could progress, giving the employee a copy of the quotation of their pension benefits if they were to leave.

- The employee will be asked to consider the quotation and decide whether they would wish to accept it. They will be informed that they can consult the Pensions Section if they have any queries on it, or on the Rule of 85.
- If the employee decides that they wish to proceed, they will submit a formal application for their case to be considered (see form at Appendix A).
- Upon receipt of the formal application the Head of Service/Director will arrange for a costed business case to be compiled (see form at Appendix B). Consultation with the Finance Business Partner will be required to ensure that the financial costs can be accommodated.
- If the costed business case is not supported at Head of Service/Director level the process ends and the employee is informed of this by the Manager (although the case could then be considered on the basis of the Rule of 85 being 'switched off' – see below).
- If the costed business case is supported at Head of Service/Director level it must be submitted to the Chief Executive or nominated deputy for final approval, who will consult the Section 95 Officer and the Convener of Finance Policy & Resources.
- Where the case is deemed not to be financially and/or operationally acceptable/feasible by the Chief Executive or nominated deputy, the process ends and the employee is informed of this by their Manager (although the case could then be considered on the basis of the Rule of 85 being 'switched off' – see below).
- Where the Chief Executive or nominated deputy gives approval, the employee will be informed of this, with a termination date agreed between the employee and their manager. Administrative arrangements for the termination would then be made through the HR Service Centre and the Pensions Section.

Any queries with regard to the above process can be raised with the appropriate HR Business Partner team.

SECTION 3: RULE OF 85 – SWITCHED OFF

In cases where it is decided to leave the Rule of 85 'switched off' an employee can still be provided with a pension quotation with a view to leaving the organisation. In this scenario, there would be no 'Strain on the Fund' cost for the Council to pay. Instead, the employee would see an actuarial reduction in their pension benefits, if they wished to proceed to leave. The case would require the authorisation of the appropriate Head of Service and then the Director before it could proceed, to ensure that it was in the organisation's interests, taking account of the circumstances. The entire process is as follows (also shown in the flow chart at Appendix E):-

- The employee contacts their Service Manager to enquire about leaving on early retirement with employer's consent (where they are 55 or over and under 60). (If the requesting employee is a Service Manager or above they will need to contact their Line Manager i.e. Head of Service or Director).
- The Manager who receives the request is required to contact the Team Leader, Resourcing, in HR, to arrange for a quotation to be prepared on the basis of Rule of 85 being 'switched off'.
- The Team Leader, Resourcing, in HR, will arrange for a quotation to be prepared and will supply this to the requesting Manager at the earliest opportunity.
- The Manager discusses the case with their Head of Service to identify whether it would be in the organisation's interests to release the employee on employer's consent, taking into account the circumstances. The Head of Service makes the decision on whether the case can progress to the next stage of the process.
- Where the Head of Service deems the release of the employee on employer's consent **not** to be in the organisation's interests, the process ends and the employee is informed by the Manager.
- Where the Head of Service deems the release of the employee to be in the organisation's interests, the Manager meets the employee to discuss how matters could progress, giving the employee a copy of the quotation of their pension benefits (showing actuarial reduction) if they were to leave.
- The employee will be asked to consider the quotation and will be informed that they can consult the Pensions Section if they have any queries on the quotation or on the Rule of 85.
- If the employee decides that they wish to proceed, they will submit a formal application to the Director for their case to be considered (see form at Appendix C).
- Upon receipt of the formal application the Director will make a decision on whether to support the application or refuse it.
- Where the Director refuses the application and deems the release of the employee **not** to be in the organisation's interests, the process ends and the employee is informed by the Manager.
- Where the Director gives approval, the employee will be informed of this, with a termination date agreed between the employee and their manager. Administrative arrangements for the termination would then be made through the HR Service Centre and the Pensions Section.

Any queries with regard to the above process can be raised with the appropriate HR Business Partner team.

Application for leaving on early retirement with employer's consent, for an employee aged 55 and over and under 60, where the Rule of 85 is 'switched on'

Section 1 – for employee completion

Name: _____ Post Title: _____
 Date of Birth: _____
 Employee No: _____ Service and Directorate: _____
 Home Address: _____

I confirm that I am applying to leave the Council on early retirement with employer's consent where the Rule of 85 is 'switched on' and wish to request to draw my Local Government Pension Scheme benefits.

Signature: _____ Date: _____

Section 2 – for requesting Manager completion (must be at least at Service Manager level – 3rd Tier)

I confirm that the case has been approved to progress to the next stage of the process by the Head of Service / Director. The costed business case is attached.

Signature: _____ Date: _____
 Name: _____ Job Title: _____

Once fully completed this form is passed to the Chief Executive or nominated deputy, along with the costed business case for consultation with the two parties below and then consideration and final approval.

Section 3 – confirmation of consultation with the Section 95 Officer and the Convener of the Finance, Policy and Resources Committee

Section 95 Officer

I confirm that I have been consulted on this case and have no objections to it progressing and being determined under delegated authority by the Chief Executive (or nominated deputy).

Signature: _____ Date: _____
 Name: _____ Job Title: _____

Convener of the Finance, Policy and Resources Committee

I confirm that I have been consulted on this case and have no objections to it progressing and being determined under delegated authority by the Chief Executive (or nominated deputy).

Signature: _____ Date: _____
 Name: _____ Title: _____

Section 4 – Chief Executive or nominated deputy decision

I do / do not approve the application as detailed above (*delete as appropriate*)

Signature: _____ Date: _____
 Name: _____ Job Title: _____

Once fully completed and approved this form is passed back to the requesting Manager who via the employee's manager will inform the employee and identify a leaving date. The manager will e-mail the HR Service Centre with the leaving date and other relevant details along with a scanned copy of this form for appropriate administration, and notifying the Pensions Section.

If it is not approved, the form is to be placed in the employee's personal file.

Costed Business Case in relation to an application for leaving on early retirement with employer's consent for an employee aged 55 and over and under 60, where the Rule of 85 is 'switched on'

Section 1 – Applicant Details

Name: _____ Post Title: _____
 Employee No: _____ Service and Directorate: _____

Section 2 – Costing

The 'strain on the fund' cost for the Council is _____

Details of any other costs (*insert N/A if not applicable*) _____

The above costs will be met from _____

Any future savings will comprise (*insert N/A if not applicable*) _____

Section 3 – Operational impact

Please give details of any operational implications of granting the case.

Section 4

Business case completed by

Signature: _____ Date: _____
 Name: _____ Job Title: _____

Where the business case is deemed to be financially acceptable and operationally feasible it would be approved by the Chief Executive or nominated deputy under Section 4 of the application form (i.e. on Appendix A), following consultation with the Section 95 Officer and the Convener of the Finance, Policy and Resources Committee.

Application for leaving on early retirement with employer's consent, for an employee aged 55 and over and under 60, where the Rule of 85 is 'switched off'

Section 1 – for employee completion

Name: _____ Post Title: _____
 Date of Birth: _____
 Employee No: _____ Service and Directorate: _____
 Home Address: _____

I confirm that I am applying to leave the Council on early retirement with employer's consent where the Rule of 85 is 'switched off' and wish to request to draw my Local Government Pension Scheme benefits and understand that actuarial reduction to my benefits will apply.

Signature: _____ Date: _____

Section 2 – for requesting Manager completion (must be at least at Service Manager level – 3rd Tier)

I confirm that the case has been approved to progress to the next stage of the process by the Head of Service.

Signature: _____ Date: _____
 Name: _____ Job Title: _____

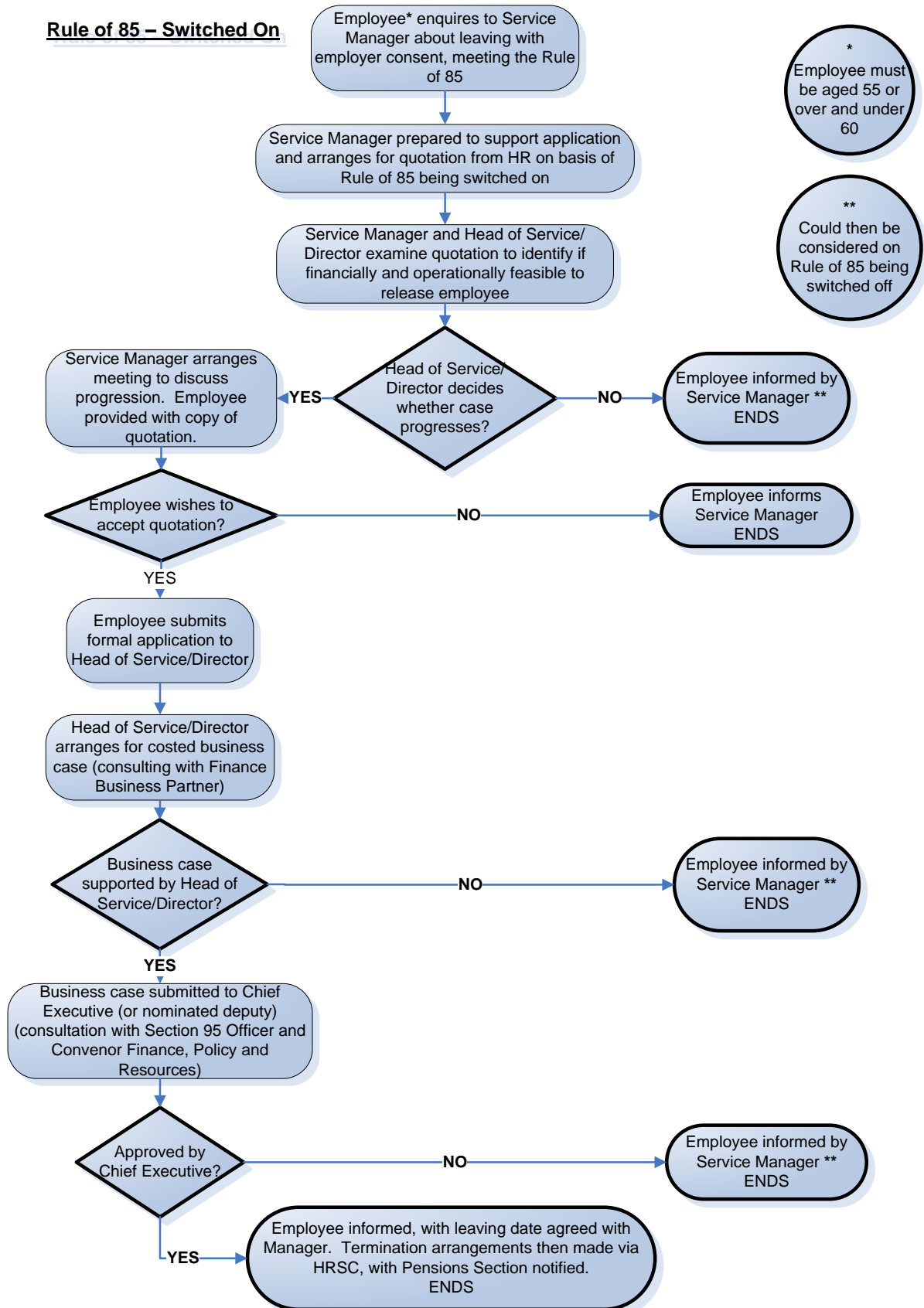
Section 3 – Director decision

I do / do not approve the application as detailed above (*delete as appropriate*)

Signature: _____ Date: _____
 Name: _____ Job Title: _____

Once fully completed and approved this form is passed back to the requesting Manager who via the employee's manager will inform the employee and identify a leaving date. The manager will e-mail the HR Service Centre with the leaving date and other relevant details along with a scanned copy of this form for appropriate administration, and notifying the Pensions Section.

If it is not approved, the form is to be placed in the employee's personal file.

Rule of 85 – Switched On

Rule of 85 – Switched Off