

# Glasgow Life

## Flexible Retirement Guide

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## 1. What is flexible retirement?

Flexible retirement allows members of the Local Government Pension Scheme (LGPS) to access to their pension, and lump sum if applicable, while continuing to work on reduced hours in the same post or at a lower grade in another post.

Once they have flexibly retired, employees can choose to stop making contributions or opt to continue paying contributions on their reduced salary and build up new pension benefits which will become payable on full retirement.

It may be helpful to read this guide along with the “Your Pension” section of the LGPS website: [LGPS: Your Pension](#)

## 2. Eligibility

This guide applies to employees who:

- are at least age 55;
- have 2 years LGPS scheme membership or have brought in a transfer from another pension scheme; and
- reduce the hours they work or move to a lower graded job ensuring an overall salary saving of at least 20%.

## 3. Duration

Employees are not required to terminate their employment to access retirement benefits through flexible retirement. Flexible retirement must be for a minimum period of 12 months and be a *permanent* contractual adjustment until a final retirement date is agreed.

## 4. Principles

Applications are voluntary and at the request of the employee. Decisions on whether to approve requests will be based on:

- Clear benefit(s) to Glasgow Life in facilitating service reform or other organisational objectives.
- Impact on service delivery and operational needs.
- Any costs or savings to Glasgow Life.

Requests will be considered on a case-by-case basis and will be approved at the discretion of Glasgow Life. Where a request cannot be approved, the manager will meet with the employee and give a full explanation of the reasons. Glasgow Life will not waive any actuarial reductions or costs associated with the early payment of benefits prior to a member’s normal pension age.

## 5. Rule of 85

Employees who were members of the LGPS on or before 30th November 2006 may have some or all of their benefits protected from an actuarial reduction if they meet the Rule of 85. There is more information on the Rule of 85 on the LGPS website: [Rule of 85](#)  
Even if you meet the rule of 85, flexible retirement is still at Glasgow Life's discretion.

## 6. Flexible retirement options

### Reduction in hours

Glasgow Life would normally expect to achieve at least a 20% salary saving from the reduction in the employee's contractual hours. Benefits to Glasgow Life and impact on service delivery will be considered in reviewing requests.

### Reduction in grade

A reduction in grade may appeal to those wishing to voluntarily 'step down' in responsibility during the later stages of their career. The service will consider whether it can re-allocate certain duties of the post. At least 20% salary savings will be required where the service can accommodate this option. Alternatively, an employee may apply for a suitable vacancy through our normal recruitment and selection process and ask for flexible retirement alongside the job application.

## 7. Applying for flexible retirement

Employees wishing to apply for flexible retirement should complete the 'Application for Flexible Retirement form' (form FR1) and submit this to their line manager. They will find this on the Glasgow Life Colleague Information page: [Flexible Retirement](#)

Members of the pension scheme should sign up to their account on SPFOne if they have not already done so. The link to SPFOne is on the Colleague Information page: [SPFOne](#)

## 8. Timescales

The employee should submit their request **at least 4 months** before the proposed start date to allow it to be fully considered and processed in cases where it is approved.

## 9. Reviewing the application

The manager, with support from their HR Business Partner, will review the application, considering operational requirements.

Where the application can't be supported operationally, the manager will meet with the employee to advise of this and confirm the reasons why. They will then confirm this in writing within 14 days of the meeting.

Where the request can be supported operationally, the manager will pass the form, along with their assessment, to the Head of Service for consideration. The manager will request an estimate of the employee's retirement benefits by forwarding the Application for Flexible

Retirement form (FR1) to [retirement@glasgowlife.org.uk](mailto:retirement@glasgowlife.org.uk). The calculation will include any actuarial reduction to the employee's pension benefits and costs to Glasgow Life.

On receipt of the calculation, HR will liaise with the Head of Service to discuss the potential costs and savings associated with the flexible retirement.

The estimate will also be sent to the employee for them to consider their benefits. The employee should be given reasonable time to consider their estimate and may wish to seek financial advice.

Read the "Flexible Retirement Process" flow chart for further guidance on the application process. This is available on the Colleague Information page: [Flexible Retirement](#)

## 10. Sign off

If the employee wishes to proceed and the line manager has given their approval, final authorisation will be sought from the Head of service and, if granted, a flexible retirement date will be set. The flexible retirement application form (FR1) may need to be amended.

In cases where final sign off is not given, the manager will meet with the employee to explain the reasons why. They will confirm this in writing within 14 days.

## 11. Final steps if approved

HR will send the employee their pension forms and these will be processed by HR and CBS on return, then forwarded to the SPFO. The employee will receive written confirmation from Glasgow Life detailing the changes to their contract.

The employee will be contacted directly by the SPFO with regard to the processing and payment of their Pension.

## 12. Appeals

Where a request for flexible retirement has been refused employees have a right to appeal via the Internal Disputes Resolution Procedure (IDRP): [Raise a dispute](#)

## 13. Further guidance

Please refer to the flexible retirement process flowchart for further process guidance. If you have any questions, you can send them to [retirement@glasgowlife.org.uk](mailto:retirement@glasgowlife.org.uk).

## 14. Flexible Retirement – Frequently Asked Questions

### a. What are the benefits of Flexible Retirement?

There are many benefits, for example:

- It supports your work life balance, allowing you to ease into retirement.
- You don't have to retire or stop working before taking your pension benefits.
- You can continue to pay into the LGPS, building up further benefits.

### b. Is there a way that I can increase my pension benefits before retiring or if I remain in the scheme after flexibly retiring?

You can get more information on your options for increasing your benefits from the Strathclyde Pension Fund Office webpage: [How do I increase my benefits](#).

### c. Do you have to take all your pension benefits if you take flexible retirement?

If you're granted flexible retirement all of your pension benefits built up before April 2009 must be taken. You can however choose not to take the pension benefits you have built up after this date or only take a percentage of these. You can get more information about this by contacting the [Strathclyde Pension Fund Office](#).

### d. Will my pension benefits be reduced if I take flexible retirement?

If you take flexible retirement *before your normal pension age* your benefits will normally be reduced because you will be receiving your pension sooner and for a longer period, this is called the "actuarial reduction".

You can find out more about the actuarial reduction from the LGPS website: [Early Retirement Reductions](#)

Any additional benefits that you may have bought such as APCs or AVCs will also be reduced.

### e. Can I resign and access my pension if I'm 55?

You can choose to fully retire early and draw your pension benefits from the age of 55 onwards without employer's consent. As above, your benefits will normally be reduced for being paid earlier. You must still give your employer contractual notice and bear in mind that it can take up to 4 months to process retirement forms.

### f. How do I get a quote of what my pension benefits would be if I flexibly retired?

If we can support your application, we will request a quote for you from the SPFO. This will include details of any reduction to your pension benefits and any costs.

Please note that quotes for flexible retirement benefits can only be requested by your employer.

### g. Where can I get financial advice?

You may wish to take independent financial advice. The Money & Pensions Service ([MaPs](#)) provides government sponsored advice.

Our Employee Assistance Programme may also be able to help you with money advice: [Employee Assistance Programme](#)

**h. I have heard that there is a certificate that protects my higher pay for the calculation of future pension benefits. Can this be issued for flexible retirement if I remain in the scheme?**

You're thinking about the Certificate of Pension Protection, this is issued to a scheme member by an employing authority when the member, as a result of a decision of the employing authority, **has** to take a reduction in pay. The certificate protects the member's higher pay for the purpose of calculating subsequent pension and lump sum entitlements within certain conditions. As flexible retirement is voluntary we would not issue a Certificate of Pension Protection.

**i. Where can I get more information?**

This guidance and FAQs should be read in conjunction with the information on the [Glasgow Life Colleague Information page](#), [LGPS website](#) and Glasgow Life Flexible Retirement flow-chart.