



Retirement Policy and Procedure

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All Translink Group Corporate Policies should be consistent in terms of development, approval, implementation, communication, control and review in line with these guidelines.



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Version Control Record

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	HR Manager	28 th August 2007	
	HR Manager	8 th July 2009	
	HR Manager	11 th November 2009	
1.0	HR Services Manager	5 th October 2012	
1.1	HR Services Manager	9 th May 2014	Policy reformatted to comply with corporate layout. Section 3 renamed 'Age Retirement'. Paragraph 4 added to section regarding notification to NILGOSC of retirement. Section 4 added for 'Early Retirement' Section 5 added for 'Flexible Retirement' which also includes wording from Section 4 in the previous version. Section 6 added for Ill Health Early Retirement which also includes Section 5 from previous version.
1.2	HR Services Manager	20 th July 2015	Age retirement section amended to request notice of retirement for NILGOSC. Early retirement section amended to reflect changes to Pension Regulations. Flexible retirement section revised to include the process for applying for flexible retirement. Ill health retirement section amended to include requirement for medicals and NILGOSC assessment for early payment of pension benefits
1.3	HR Management	October 2015	No changes
2.0	HR Services Manager	September 2016	Inclusion that an employee must have minimum of 2 years membership in the NILGOSC pension scheme to be considered for IHER benefits

2.1	HR Management	20.10.16	No changes
2.2	HR Management Team	20.01.20	Amendments made to Age Retirement, Early Retirement, Flexible retirement, IHER to tie in with NILGOSC wording. Amendment made to Section 5 Flexible Retirement to clarify annual leave paid to Bus Driver FR cases only. Inclusion of line to confirm that if a request for flexible retirement is agreed it will constitute a permanent variation to the contract of employment and an employee will not be able to revert to their former hours or grade.
3.1	HR Management Team	25.01.21	Flexible retirement section amended to remove the statement that where a third request for flexible retirement is not allowed, that this no longer includes contract extensions.

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1. Introduction

Throughout this Policy, the words 'Translink' 'Company' and/or 'the Group' refer to all corporate entities under the ownership of the Northern Ireland Transport Holding Company (NITHC). This includes the parent company and each subsidiary either individually or taken together as a group.

2. Policy Statement

Translink does not operate any compulsory or contractual retirement age. The company operates a policy under which employees may choose to retire at a time of their choosing. Entitlement to an occupational pension will, however, only be available from age 55 except if recommended for ill health early retirement in which case, pension may be payable before the age of 55 if deemed eligible. Further details can be obtained in the Pension Policy Statement, available on sharepoint or via managers. This policy may be amended from time to time to meet business requirements.

To be entitled to retirement benefits, an employee must have at least two years' membership in the Scheme, or have brought in a transfer from another pension scheme, or have a deferred benefit elsewhere in the Scheme which takes them to over the two-year limit.

3. Age Retirement

An employee can retire and receive their Pension benefits in full once they have reached their normal retirement age. Normal pension age for the 2015 Pension Scheme benefits will be the same as the state pension age or 65, whichever is later. As the state pension age increases so will the normal pension age, meaning that an employee could be older than 65 when they reach their normal pension age. An employee can find out their state pension age at www.gov.uk/calculate-state-pension. It may also be shown on their last NILGOSC pension statement.

Although the retirement age for any benefits an employee builds up before 1st April 2015 will still be 65, they cannot draw these pension benefits under the 2015 Scheme. Therefore, if they were to decide to withdraw all of their benefits at age 65 and their normal pension age under the new 2015 Scheme is 66, any benefits they would have built up after 1st April 2015 would be reduced as they would be paid early.

An employee who decides to retire at normal retirement age should provide written notice to their line manager in accordance with the terms of their contract of employment. Upon receipt of this notice the line manager will arrange to meet with the employee to discuss preparation for retirement and, where relevant, occupational pension provision.

An employees may, however, notify the company up to two years before the time they intend to retire of their intentions, and are encouraged to do so. This early notification will allow the line manager to consider succession planning.

Any employee who indicates an intention to retire in the future will not be held to any such statement of intention until such time as they have given formal notice (as required by their contracts) to terminate their employment.

Once an employee notifies the Company of their intention to retire and the expected retirement date, NILGOSC will be notified of the intention; however, pension payments will not commence until after the employee has retired and NILGOSC receives confirmation of the actual date of retirement. Confirmation will be sent by Payroll to NILGOSC following payment of the employees' final salary. NILGOSC recommend that they are informed of potential retirements 3 months in advance of the retirement date.

4. Early Retirement

An employee can retire and receive their pension benefits at any time from age 55 onwards and they do not need the Company's permission. They should provide written notice to their line manager in accordance with the terms of their contract of employment.

An employee who chooses to retire before their normal pension age may have reduced pension benefits as they will be paid for longer. How much their benefits are reduced by depends on how early they draw them. The reduction is based on the length of time (in years and days) that an employee retires early – from the date their benefits are paid to their normal pension age.

An employee who is considering early retirement should notify their line manager in the first instance. Translink will obtain a pension quotation from NILGOSC which will provide details of the pension benefits applicable to the employee. . The pension quote will normally take approx. 2 weeks to obtain from NILGOSC and it is advised that employees should fully consider this prior to making a final decision.

There are situations where Translink may waive any reduction in pension benefits and these are detailed in the Pension Policy Statement.

5. Flexible Retirement

The company will consider requests for flexible retirement from employees who are considering retirement. This gives employees the option to reduce their hours of work, or the grade in which they work, so as to enable them to adjust gradually to full retirement.

Flexible retirement allows members of the NILGOSC Pension Scheme to reduce their hours or the grade in the Company in which they are employed, whilst at the same time take payment of their pension, provided they are aged 55 or over and their request is approved by the Company. The Company does not have to agree to requests for flexible retirement and each case will be considered on its own merits taking into account the need to deliver services effectively and efficiently, the financial implications of granting the application and the circumstances of granting each application.

The following process applies to employees who wish to apply for flexible retirement:

- Employees must be willing to either reduce their weekly working hours or transfer to a lower-grade duty (subject to a position being vacant which they are deemed suitable for). Requests must reflect either a minimum reduction of 1 day per week (pro-rata for part-time posts) or a minimum reduction of one full grade.
- Requests should be made in writing to the line manager, outlining the work pattern they wish to work, e.g. part time term time, 3 days per week, etc, and the date they wish this to take effect.
- Employees should provide an end date for when their flexible retirement arrangements will cease and their retirement (i.e. the termination of their employment) will take effect. This is a necessary requirement to allow the company to plan for the future based on its business/staffing needs. An appropriate retirement date will be discussed and agreed with each employee on an individual basis. It is envisaged that this requirement will not ordinarily extend to Bus Drivers, where there is an ongoing requirement to fill part-time term time duties. However, in certain situations Bus Drivers may be asked to provide an end date (such as, for example, where there is a surplus of Bus Drivers in respect of part-time term duties and/or where this is required for planning in respect of business / staffing needs).
- The Line Manager, through HR, will obtain information from NILGOSC in relation to any costs applicable due to agreeing to allow the employee flexible retirement prior to confirming the decision.
- The Line Manager and the HR Business Partner will consider the change in hours or post on its own merits taking into account the need to deliver services effectively and efficiently, the financial implications of granting the application and the circumstances of granting each application.
- If there are financial implications to agreeing to the flexible retirement but the application is supported by the Line Manager and the HR Business Partner, the Chief HR & Corporate Services Officer will consider the application in line with the Pension Policy Statement.
- Once a retirement date has been agreed with the employee (subject to the flexible retirement arrangement having been approved), this will be set out in writing, with the employee given formal notice that their retirement will take place on that set date. This formal notice will generally include any period of contractual notice which the employee is required to provide, though the Company reserves the right to require that the employee give due contractual notice prior to their retirement date. A flexible retirement information sheet will be sent to the employee which they are required to sign and return to HR, confirming they are happy to proceed with the flexible retirement on the grounds specified in their letter.

- If a request for flexible retirement is agreed it will constitute a permanent variation to the contract of employment and an employee will not be able to revert to their former hours or grade.
- Once a retirement date has been agreed and the formal written notice referred to above has been given, it will not be possible for this retirement date to be changed except by agreement between the employee and the company. The employee should put any such request in writing, setting out the reasons why they are seeking to alter their retirement date. This will then be considered by the company, who may arrange to meet with the employee in order to discuss the request. The company will consider all such requests on an individual basis but cannot guarantee that they will be granted.
- Employees will only be allowed one flexible retirement but one further request for flexible retirement will be considered on its own merits and based on the need to deliver services effectively and efficiently together with the financial implications of granting the application. A third request for flexible retirement will not be allowed.
- Where flexible retirement is approved for Bus Drivers, the employee will be paid all accrued annual leave at the time of commencing flexible retirement.
- The employee will be auto-enrolled back into the Pension Scheme upon taking up flexible retirement but has the option to opt-out by completing LGS2 form and submitting to Translink.
 - If the Company agrees to a request for flexible retirement, the employee would have to draw:
 - all of the benefits that they built up before 1st April 2009, plus
 - all, some or none of the benefits they built up between 1st April 2009 and 31st March 2015, plus
 - all, some or none of the benefits that they built up after 1st April 2015.
- Employees should refer to the Pension Policy Statement for information regarding the implications of taking flexible retirement in relation to their pension.

6. III Health Early Retirement

Early retirement on the grounds of III-health may be granted subject to specified criteria. Note that ill health benefits can be paid at any age and are not reduced due to early payment. A recommendation to apply for IHER will be made by the Company's medical advisors or the HR Business Partner. An employee must have a minimum of two years' membership in the NILGOSC Pension Scheme in order to be eligible for IHER benefits.

To qualify for IHER benefits, NILGOSC must be satisfied that you:

- Are permanently incapable of doing your own job, and
- Have a reduced likelihood of being capable of doing any other job before your

normal pension age.

NILGOSC's decision is based on a report from its independent registered medical practitioner qualified in occupational health medicine.

The level of benefits an employee would receive depends on the severity of their illness as described below:

- **Tier 1:** if an employee is considered unlikely to be capable of undertaking any gainful employment before their normal pension age, they will receive all of the pension benefits they have built up plus an enhancement of 100% of the pension they would have built up in the main section of the Scheme to their normal pension age. This enhancement is calculated using the employees assumed pensionable pay.
- **Tier 2:** if an employee is considered likely to become capable of undertaking any gainful employment before their normal pension age, they will receive all of the pension benefits that they have built up plus an enhancement of 25% of the pension that they would have built up in the main section of the Scheme to their normal pension age. This enhancement is calculated using the employees assumed pensionable pay.

'Gainful employment' is defined as paid employment for at least 30 hours per week for a minimum of 12 months.

'Permanently incapable' is defined as the employee will be incapable until at least their normal retirement age.

There are exceptions to this if an employee has previously received a Tier 1 or Tier 2 ill-health pension from the Scheme.

Once the employee has attended a medical appointment with the NILGOSC medical practitioner, NILGOSC will forward to both HR and the employee their decision regarding early payment of pension on ill health grounds, and confirmation of which tier the employee is allocated to, or they will confirm the employee is not eligible for early payment of pension.

NILGOSC do not provide individual ill health pension quotations to employees. Following the ill health retirement date, NILGOSC will write to the employee to provide details on the lump sum payment and annual pension they can expect to receive. The employee may appeal the outcome of the decision with NILGOSC should they not be satisfied with the outcome.

7. Related Policies

Pension Policy Statement