

EAST HERTS COUNCIL

HUMAN RESOURCES COMMITTEE – 11 JANUARY 2012

REPORT BY HEAD OF PEOPLE, ICT AND PROPERTY SERVICES

RETIREMENT & RECRUITMENT POLICY UPDATES

WARD(S) AFFECTED: NONE

Purpose/Summary of Report

- To approve the revised Retirement Policy

<u>RECOMMENDATION FOR :</u>	
(A)	HRC to approve the revised Retirement Policy

1.0 **Background**

1.1 The Council's Human Resources policies are regularly reviewed to ensure they remain in line with current legislation, best practice and are fit for purpose for the organisation.

1.2 This report outlines the changes made to the Retirement Policy.

2.0 **Report**

2.1 Please see **Essential Reference Paper 'B'** for the revised policy

2.2 Drivers for Change

2.3 The current policy was last revised in October 2009 and, in line with the policy amendment statement is due to be reviewed this year.

2.4 The statutory default retirement age was phased out from the 6th April 2011 and abolished with effect from 1 October 2011. To reflect this change, the Council ceased to operate a mandatory retirement age from 6 April 2011.

- 2.5 In 2010 the age at which an employee could request early/flexible retirement increased from 50 to 55 years.
- 2.6 It is therefore necessary to amend the current retirement policy to reflect these changes

2.2 Key changes

- 2.2.1 A general retirement procedure has been devised to reflect the change from age lead retirement dates to those chosen by employees. This is outlined in section 3 of the draft policy.
- 2.2.2 The age employees can request flexible/ early retirement has been amended to reflect current legislation.
- 2.2.3 In March 2008 CMT agreed that the Council would not offer group life insurance to late retiring employees because of the prohibitive costs. The Council's current provider will consider insuring staff beyond their 65th birthday, but the terms or cover cannot be guaranteed. E.g. if someone has a serious medical complaint, leads an unhealthy lifestyle etc, the Insurer will not offer cover or will charge a hefty premium. This issue is reflected in current legislation which allows an employer to withdraw such benefits. It is therefore recommended that the Council continues to withdraw life insurance cover for any employee who has reached the age of 65 or over. This is reflected in section 3.8.5 of the draft policy.
- 2.2.4 The rules on abatement of pensions (section 11) have been amended for clarity and the list of Local Government Pension Scheme Employers' Discretions has been updated to reflect current practice.

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'** .

Background Papers

None

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ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/ Objectives:	Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	Consultation has taken place with UNISON and Heads of Service.
Legal:	None.
Financial:	As detailed in the report
Human Resource:	As detailed in the report
Risk Management:	None.