



**Roselands & Stafford**  
Federation

# **East Sussex County Council Retirement, Pensions and Redundancy Policy**

**Document control:**

**Adopted by the full Governing Body on:**

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# Retirement, Pensions and Redundancy Policy for teachers



**Date:** January 2018

## Document summary

This policy sets out the framework for a clear and consistent approach to managing the premature retirement of teachers.

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## About this document:

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<p><b>Accessibility help</b></p> <p>Zoom in or out by holding down the CTRL key and turning the mouse wheel. CTRL and click on the table of contents to navigate. Press CTRL and Home key to return to the top of the document. Press Alt-left arrow to return to your previous location. References shown in <a href="#">blue text</a> are available on the Intranet and/or the Webshop. References shown in <a href="#">underlined blue text</a> are hyperlinks to other parts of this document.</p>	

# Retirement, Pensions and Redundancy Policy for teachers

## 1. Introduction

- 1.1. This policy applies to teachers in maintained, voluntary aided, and foundation primary, secondary, special schools, nursery settings, special units, and the Children's Services department of East Sussex County Council ('the County Council'), employed on Teachers' Pay and Conditions, who are eligible to contribute to the Teachers' Pension Scheme (TPS).
- 1.2. The Teachers' Pension Regulations provide that accrued benefits may be paid to teachers aged 55 and over with at least five years reckonable and qualifying service whose employment ceases where a Local Authority certifies that the early retirement would be in the interests of redundancy or efficiency of the service.

## 2. Premature retirement arrangements and redundancy

- 2.1. Teachers aged 55 or over at the date their redundancy takes effect may be eligible to receive premature retirement benefits. Those aged between 55 and 60 can opt to retire with an actuarially reduced pension. For those who have not taken an actuarially reduced pension they are presently entitled to receive their normal pension when they reach the age of 60 provided they were in service before 1 January 2007. Short of taking an actuarially reduced pension, for those between the ages of 55 and 60, premature retirement (with or without enhancement) is a discretionary matter for governing bodies to decide, it is not an automatic right.
- 2.2. The County Council does not release premature retirement benefits (unreduced pension benefits) to employees aged 55 and over, who are members of the TPS and who are being made redundant. School governing bodies may wish to consider offering access to premature retirement in such circumstances, see [Section 3](#).
- 2.3. Teachers being made redundant may however voluntarily opt to access their pension benefits on an actuarially reduced basis, subject to the rules of the TPS. Access to actuarially reduced benefits is at the discretion of the Governing Body. The costs associated with granting this will continue to be met by the school's budget. The County Council will not unreasonably withhold access to these benefits, providing the employee has ceased all pensionable employment.
- 2.4. Teachers can also opt to access pension benefits on an unreduced 'age' basis if aged 60 or over, provided the teacher joined the TPS before 1 January 2007, subject to the rules of the Scheme.
- 2.5. For more information about actuarially reduced benefits or 'age' retirement please refer to [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk)

### 3. The role of the governing body

- 3.1. Governing bodies can choose to allow teachers to access premature retirement benefits either with or without actuarial reduction. In the event that an actuarial reduction is waived, the school will need to meet the one off and any on-going financial costs associated with this process where teachers cease their employment on grounds of redundancy or efficiency of the service. Schools will need to be aware that they may be entering into an agreement that incurs a liability for them to some future point.
- 3.2. In agreeing access to premature retirement benefits, governing bodies of schools must pay the cost of this to the TPS. Information about these two forms of compensation is set out on [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk)

### 4. Redundancy payments

- 4.1. All employees are entitled to Statutory Redundancy pay. In addition there is a scheme for an “enhanced” payment.

#### The statutory redundancy scheme

- 4.2. Under the terms of the statutory scheme, there is a cap on weekly pay. The cap is set by the Government, and is reviewed annually. For information on what the current statutory limit cap on weekly pay is, please see [www.gov.uk/browse/working/redundancies-dismissals](http://www.gov.uk/browse/working/redundancies-dismissals)
- 4.3. Payments are based on an employee’s age, and length of service, subject to a maximum of twenty years service (the maximum awarded under the statutory scheme). The payments are calculated as follows:

Completed years of service at each age	Number of weeks’ pay
Up to 21	x 0.5 week’s pay
22 – 40	x 1 week’s pay
41 and over	x 1.5 weeks’ pay

- 4.4. Please refer to the Statutory Redundancy Ready Reckoner in the [Managing Change Policy](#) to calculate your entitlement.

#### Enhanced redundancy payment

- 4.5. In the event of redundancy, a teacher’s redundancy pay will be ‘enhanced’ in the following way: The payment is based on their actual weekly pay, as defined in the Council’s managing change policy. The statutory maximum weekly pay cap is not applied.

### 5. Approval from the Local Authority for the costs of redundancy

- 5.1. Section 37 of the Education Act 2002 sets out the principles of liability to pay the cost of any redundancy. All maintained schools will be required to follow a financial approvals process to obtain verification of who will bear the costs of any redundancy and for approval of any expenditure against the centrally managed budget.

- 5.2. Details of this financial approvals process can be found in the current version of [The Scheme for Financing Schools – Annex E](#). In principle the County Council will cover the redundancy costs only where a staffing reduction is made proportionate to and as a direct result of falling pupil numbers, but any enhancement to pension will be payable by the school itself.

## **6. Retirement in the interests of the efficiency of the service**

- 6.1. Any teacher employed to work in a school, aged 55 or over, with the appropriate reckonable and qualifying service may apply to the Governing Body for early retirement on the grounds of efficiency of the service. The application should set out that the service could be provided or organised more efficiently as a direct result of retirement. The employee should be in agreement with the decision and be provided with an estimate of the pension benefits.
- 6.2. For teachers employed to work in a centrally managed role, the County Council may recommend to the Corporate Management Team that a teacher's employment should be terminated on grounds of efficiency of the service.
- 6.3. The Governing Body or County Council should consider the following criteria:
- the financial benefits arising from revised working arrangements;
  - the cost of the retirement compared with the savings arising;
  - the extent to which a job has changed and the cost/time involved in training the employee to acquire new skills;
  - any cost implications arising from the decision affecting other staff and resources; and / or
  - whether redeployment is a viable option.
- 6.4. This policy should not be used as an alternative to managing capability or attendance issues. Further guidance is available in the [Attendance Management Procedure](#) and the [Capability Procedures](#).
- 6.5. All discussions and correspondence about individual teachers will be on an entirely confidential basis.
- 6.6. Each teacher expressing an interest in early retirement on grounds of efficiency will be given the best estimate of his/her likely retirement benefits and any enhancement that the governing body or the centrally employing department within the County Council might be prepared to offer. The estimate of benefits will be based upon the information available but it must be accepted that the final calculation of benefits is subject to confirmation of the reckonable service by Teachers' Pensions.

## **7. Procedure for approval to terminate service on efficiency grounds**

- 7.1. Personnel and Training will support the school/department with the completion of the early retirement form, stating the business case for early retirement and associated costs/savings. This business case is an important part of the process and must set out the agreement for meeting any redundancy costs and/or pension costs as referred to above.