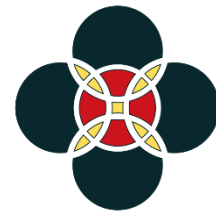




Local Government  
Pension Scheme



Cronfa Bensiynau  
**CLWYD**  
Pension Fund

# Local Government Pension Scheme

## Flexible Retirement

April 2025

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## Introduction

Retirement from the Local Government Pension Scheme (LGPS) can be a big step and it can be difficult to know if you are ready to retire. Flexible retirement gives you the chance to move gradually into retirement by reducing your working hours or moving to a lower graded job.

## Point to note

This factsheet explains about minimum retirement age currently being 55.

The UK Government has announced that the earliest age you can take your pension will increase from age 55 to 57 with effect from 6th April 2028. This does not apply if you have to take your pension early due to ill health.

You could be protected from this increase if you joined the LGPS in England and Wales before 4th November 2021. You could also be protected if you transferred a previous pension into the LGPS if certain conditions are met. However, you will only be able to use this protection when you take your LGPS pension, if the LGPS rules allow you to take your pension before age 57.

The UK Government makes the LGPS rules. It has not yet confirmed if it will allow members who qualify for protection to take their LGPS pension before age 57, from 6th April 2028.

Where 55 is mentioned in this factsheet, please remember this will change to 57 from 6th April 2028.

## What is flexible retirement?

You can take the pension benefits you have built up so far with your employer's permission and continue to work for the same employer whilst working reduced hours or in a lower grade.

## What are the criteria for flexible retirement?

You can only apply for flexible retirement if you:

- are aged 55 or over; and
- have two years or more LGPS membership (which may include a transfer in of previous pension benefits from another scheme)

LGPS rules mean that all employers should have a policy confirming if they will consider requests for flexible retirement. By law, your employer does not have to offer flexible retirement.

## What is meant by employer consent?

You need your employer's consent to reduce your working hours or grade so that you can retire under flexible retirement rules. The employer must consider each request and the impact on service delivery and any potential costs involved before making a decision.

To find out more about your employer's policy, please contact your employer's HR Department.

## What benefits will be paid if you take flexible retirement?

- your annual pension; plus
- you will have an option to turn some of this pension into a one-off lump sum.

(If you became a member of the LGPS on or before 31st March 2008, you will also receive an automatic tax-free lump sum as part of the benefits you built up to this date).

To find out more about exchanging annual pension for tax-free cash, please have a look at our 'Taking a Tax-Free Lump Sum when you Retire' factsheet in the **forms and resources section** of our website.

## Will your pension be reduced if you retire before normal retirement age?

Your normal retirement age in LGPS is either your State Pension age, or 65 if later. The earliest you can retire is age 55. If you have your flexible retirement benefits paid before your normal retirement age, there will be a reduction to take account of the early payment.

However, if you started paying LGPS contributions on or before 30th September 2006 and your employer allows you to flexibly retire between the ages of 55 and 60, you will be entitled to the Rule of 85 protection. This means that the benefits that you have built up before 1st April 2008 will not be reduced for early payment.

If you started paying LGPS contributions on or after 1st October 2006, the Rule of 85 will not apply, and your benefits will be reduced for early payment. However, the closer you are to your normal retirement age when you retire, the lower the reduction will be to your benefits.

When the Rule of 85 is applied to your flexible retirement pension benefits, it will not apply to any new pension benefits you build up in the future.

For retirement types other than flexible retirement, your employer has the discretion to apply the Rule of 85 between ages 55 and 60. You will need to contact them to find out their policy on this.

If you would like to find out more about the Rule of 85 and the reductions that may apply, please read through our Rule of 85 factsheet in the **forms and resources section** of our website.

## Will you still be able to pay LGPS contributions?

Once you start to receive payment of your flexible retirement benefits, you will automatically start paying LGPS contributions again if:

- your new employment contract is for three months or more, and
- you are under the age of 75

You will start to build up further pension benefits. Your normal retirement age with this new pension will be your State Pension age. If the State Pension age changes in the future, your normal retirement age in the LGPS will also change.

## Where can you find more information?

This factsheet gives general guidance only. If you need more information, please contact the Clwyd Pension Fund:

**Phone:** 01352 702950

**Email:** [pensions@flintshire.gov.uk](mailto:pensions@flintshire.gov.uk)

**Address:** Clwyd Pension Fund, Ty Dewi Sant, St. Davids Park, Ewloe, Flintshire, CH5 3FF

**Website:** <https://mss.clwydpensionfund.org.uk>

## Disclaimer

The Clwyd Pension Fund is unable to provide any financial advice. After reading this factsheet, you may want to seek independent financial advice to make an informed decision.

These bodies may be able to help you:

**Unbiased:**

<https://unbiased.co.uk>

**MoneyHelper:**

<https://www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser?source=mas>



[mss.clwydpensionfund.org.uk](https://mss.clwydpensionfund.org.uk)

**Clwyd Pension Fund, Ty Dewi Sant, St. Davids Park, Ewloe, Flintshire, CH5 3FF**

Please note that Flintshire County Council is the administrative authority of the Clwyd Pension Fund and we use your personal data in accordance with Data Protection legislation to provide you with a pension administration service. For more information about how we use your data, who we share it with and what rights you have in relation to your data, please visit the Privacy Notice on our website.