

Retirement Procedure

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Retirement Procedure

1 Introduction

- 1.1 The Tavistock and Portman NHS Foundation Trust (the Trust) is committed to ensuring all employees considering retiring are aware of the choices available to them to make proper preparation for their retirement.

2 Purpose

- 2.1 The purpose of this procedure is to set out the process for staff who are considering retirement and the options available to them.
- 2.2 The procedure also sets out considerations which managers should make when considering requests for adjusting work duties leading up to retirement and where a member of staff asks to return.

3 Scope

- 3.1 This procedure applies to all employed staff who are members of the NHS pension scheme.
- 3.2 The procedure does not offer the guaranteed right to retire and return to work, which is in line with national directions from the Department of Health and Social Care.

4 Definitions

4.1 Actuarial reduction

4.1.1 Where an employee opts to retire early, their pension is reduced by a percentage dependant on how early they retire

4.2 AW8

4.2.1 The NHS Pensions Agency retirement benefits claim form needed to apply to take the NHS pension.

4.3 Flexible retirement

4.3.1 Where an employee opts to reduce their hours over a period of time or work on a flexible basis leading up to retirement.

4.4 Minimum pension age

4.4.1 The age at which an employee can draw down their pension which is before their normal pension age. Early draw down of a pension normally will result in an actuarial reduction.

4.5 NHS Pensions Agency

4.6 The pensions division of the NHS Business Services Authority.

4.7 Normal pension age

4.7.1 This is the age at which an employee can draw down their pension without an actuarial reduction. The age varies between the different sections of the NHS pension scheme.

4.8 Retire and return

4.8.1 Happens when an employee applies for their pension and then returns to either the same or another role within the organisation. It is not an automatic right to retire and return.

4.9 State pension / retirement age

4.9.1 This can be found here: <https://www.gov.uk/state-pension-age>

4.10 Step down

4.10.1 This occurs when an employee requests to transfer to a less demanding role leading up to retirement.

5 Duties and responsibilities

5.1 Employees

5.1.1 Are responsible for considering their available options about retirement and arranging to discuss their choices with their line manager.

5.1.2 They are also responsible for ensuring the proper completion and organisation of their retirement paperwork in good time to ensure that their pension benefits are paid in a timely way.

5.2 Managers

5.2.1 Are responsible for carefully considering requests from staff who wish to flexibly retire or return to work following retirement.

5.3 Human Resources Administrators

5.3.1 Are responsible for ensuring that completed pensions forms are sent to the Trust's outsourced pensions service.

5.4 Pensions Officer

5.4.1 The Trust's outsourced pensions service can provide advice on the different options available to staff. They cannot, however, recommend the best option for an individual.

5.4.2 The service also ensures that pension forms are processed via the pensions online service and directed to the NHS Pensions Agency for final calculation and commencement of payment.

5.5 Executive Directors

5.5.1 Should consider requests from staff wishing to return to work following retirement. The considerations should be in line with the Department of Health and Social Care directions.

6 Procedures

6.1 Employees who have decided that they wish to retire or are considering retirement, particularly flexible retirement, should discuss their plans initially with their line manager.

6.2 The following sections of the procedure detail the options available to a member of staff considering retirement and the process which should be followed.

6.3 Normal age retirement.

6.3.1 Employees wishing to fully retire from work must resign from their employment, giving at least four months' notice. The extended notice accounts for the amount of time the NHS Pensions Agency requires to process a retirement application form.

6.3.2 The normal retirement age for each of the sections of the NHS pension scheme are:

Section of the NHS pension scheme	Normal retirement age
1995	60
1995 with mental health officer or special class status	55
2008	65
2015	Linked to the state pension age

6.4 Flexible Retirement

6.4.1 Flexible retirement provides flexibility regarding the age at which an employee retires, the length of time it takes to retire and the nature and intensity of work in the lead up to final retirement. It assists the organisation by retaining the skills of key employees who are approaching, or are at, retirement age and provides a greater choice for employees.

6.5 Pre-retirement wind down (existing post).

6.5.1 An employee approaching their retirement may wish to gradually reduce the number of hours they work leading up to their actual date of retirement.

6.5.2 The employee should put their request in writing to their line manager, clearly outlining their proposed work pattern, start date and retirement date.

6.5.3 Requests will be considered in line with the procedure in the Flexible Working Procedure, and judged on the basis of business needs.

6.5.4 If a reduction in hours is agreed, the employee will be paid pro rata to the reduced hours worked. Annual leave entitlement will also be calculated on a pro rata basis

6.6 Pre-retirement step down (lower banded role).

6.6.1 An employee approaching retirement may request to continue working in a less demanding role.

6.6.2 The employee should put their request in writing to their line manager, clearly outlining their proposed role, hours of work, start date of the arrangements and retirement date.

6.6.3 Requests will be considered in line with the procedure in the Flexible Working Procedure, and judged on the basis of business needs.

6.6.4 If a change in role is agreed, the employee will be paid the appropriate rate for that post. If there is a reduction in working hours, the employee will be paid pro rata to hours worked. Annual leave entitlement will also be calculated on a pro rata basis.

6.6.5 Members of the NHS Pension Scheme 1995 and 2008 Sections who are over the minimum retirement age, and whose pay reduces by at least 10% for a minimum period of 12 months, may apply for the higher rate of pay to be voluntarily protected for pension purposes. The application via SMR9 Form must be made within 15 months of the date the rate of pay is reduced.

6.6.6 When the employee leaves, their pension up to the date they stepped down will be based on the higher rate of pay, and their pension earned after the step down date will be based on the reduced rate of pay. Cost of living increases will be applied to the protected higher rate of pay and both pensions will be added together for payment.

6.6.7 If a lower banded and suitable post is not readily available there is no obligation on the Trust to create a role.

6.7 Retire and Return.

6.7.1 Under the provisions of the NHS Pension Scheme, employees have the option to retire from service and take all their pension benefits before returning to NHS employment.

6.7.2 Employees considering this option, who have NHS Pension Scheme membership prior to 5th April 1997, must request the Guaranteed Minimum Pension (GMP) check from the Pensions Officer in the first instance. Retirement cannot go ahead unless the GMP check has been passed.

6.7.3 Employees considering this option, and who wish to return to employment with the Trust must make their request in writing, to their line manager, as far in advance as possible. The request must include the proposed retirement date and when, and in what capacity, the individual would like to return to work afterwards.

6.7.4 Updated guidance in relation to retiring and returning to work was issued by the Department of Health in July 2017. A full copy of the guidance is available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634529/NHS_retire_and_return_guidance.pdf

6.7.5 Requests to return to work will be considered in line with the factors identified in the above Department of Health guidance. Applications should be considered on their own merits and requests should not be automatically approved or declined. The Trust will specifically consider:

- the requirement for the post to be filled through 'retire and return' in light of cost improvement pressures

- equality requirements
- value for money
- the standard of the employee's work and attendance
- the employee's competence (skills, knowledge and experience) against the essential requirements of the post
- whether the hours proposed can be accommodated / meet service needs
- succession planning and the potential impact the employee's return will have on their team
- whether it is in the best interests of the service to accommodate the 'retire and return' request
- longer term workforce / service plans for the post and team and how the 'retire and return' request fits with this

6.7.6 The above factors will need to be summarised in writing by the line manager of the employee requesting to 'retire and return', using the 'Retire and Return Assessment Pro-forma' in Appendix B. This will then need to be submitted to an executive director for consideration. Only the executive directors can make the decision to approve or decline a Retire and Return application.

6.7.7 If the request is agreed, there must be at least a 2-week break between employments, to include a minimum 24-hour break in pensionable employment to satisfy the requirements of the NHS Pension scheme.

6.7.8 More information can be found at: <http://www.nhsbsa.nhs.uk/Pensions/4217.aspx>. Members of the 1995 section, whether above or below normal retirement age, must work less than 16 hours per week within one calendar

month of retirement, and/or be under the normal retirement age, to avoid their pension being suspended. This restriction does not apply to members of the 2008 section or the 2015 Pension Scheme.

6.7.9 Employees who are in receipt of any earnings related protection will lose that protection on their return to work following the break in service.

6.7.10 Once an employee retires and receives their pension benefits in relation to their NHS service, this service will no longer be counted as 'reckonable' for redundancy purposes (para 16.6 of NHS Terms and Conditions). Where an employee takes their pension benefits and returns to work at the Trust, reckonable service will begin from the date of return to employment after the break in service.

6.7.11 Employees who retire and take pension benefits from the 1995 Section of the NHS Pension Scheme before returning to work will not be able to re-join the NHS Pension Scheme.

6.7.12 Employees who retire and return will retain entitlements that are related to and dependent on 'reckonable' service such as annual leave and occupational sick pay, as outlined in Agenda for Change Terms and Conditions. However, entitlements that are subject to continuous service, such as redundancy, will be dependent on the employee accruing the relevant length of service in their new role as any previous service accrued prior to the date of retirement will no longer be considered 'continuous'.

6.8 Draw down (partial retirement)

6.8.1 This option is not available to 1995 Section members. Members of the NHS Pension Scheme – 2008 section and 2015 Pension Scheme may elect to partially retire and take some of their benefits. To do this the employee must have reached at

least the minimum retirement age of 55 and have reduced their pensionable pay by at least 10%.

6.8.2 Between 20% and 80% of pension entitlement may be taken and pension membership will continue to build up. Pensionable pay must remain reduced for at least a year otherwise eligibility to a pension will cease. Benefits can be drawn down twice before final retirement.

6.9 Voluntary early retirement (VER).

6.9.1 An employee may opt to take VER at any time from the minimum pension age applicable to the scheme they are, or have been, a member of provided they have at least 2 years membership. The minimum retirement age is 50 for members of the NHS Pension Scheme – 1995 section, and 55 for members of the NHS Pension Scheme – 2008 section and 2015 Pension Scheme. For employees who joined the NHS Pension Scheme – 1995 section for the first time on or after 6th April 2006, or previously left the Scheme before 31st March 2000 with deferred benefits and re-joined on or after 6th April 2006, the minimum retirement age is 55.

6.9.2 An estimate of pension benefits can be requested from a Pensions Officer, however, final figures will be calculated by NHS Pensions. Employees considering VER, who have NHS Pension Scheme membership prior to 5th April 1997, must request the Guaranteed Minimum Pension (GMP) check from the Pensions Officer in the first instance. VER cannot go ahead unless the GMP check has been passed.

6.9.3 To leave employment due to voluntary early retirement the employee must resign from their employment, giving the appropriate contractual notice. They will be expected to take all accrued annual leave prior to their leaving date.

6.10 Late retirement.

6.10.1 Employees who remain in employment beyond the normal retirement age, and remain in the NHS Pension Scheme, may continue to earn benefits to age 75 or until they reach 45 years membership. There are no provisions to increase benefits for members of the 1995 section if they are paid late. Members of the 2008 section will have any pension earned before age 65 increased to take account of the fact that it is being paid later than the normal retirement age. There is no limit on the maximum number of years membership in the 2015 scheme.

6.11 Ill Health Retirement.

6.11.1 Please refer to the relevant section of the Sickness Absence Procedure which outlines the principles and processes relating to ill health retirement.

7 Training Requirements

7.1 There are no specific training requirements for this procedure, however, should a manager wish to obtain advice on its application then they should consult with an HR adviser.

8 Process for monitoring compliance with this Procedure

8.1 Retirement data is recorded on the Electronic Staff Record and periodically reported via the HR assurance report.

8.2 Retire and return data will be recorded separately and reported via an appropriate operational committee.

9 References

None

10 Associated documents¹

Flexible Working Procedure
Sickness Absence Procedure

¹ For the current version of Trust procedures, please refer to the intranet.

Appendix A : Equality Analysis

Completed by	Craig de Sousa
Position	Director of HR and Corporate Governance
Date	31 December 2019

The following questions determine whether analysis is needed	Yes	No
Is it likely to affect people with particular protected characteristics differently?		X
Is it a major policy, significantly affecting how Trust services are delivered?	X	
Will the policy have a significant effect on how partner organisations operate in terms of equality?		X
Does the policy relate to functions that have been identified through engagement as being important to people with particular protected characteristics?		X
Does the policy relate to an area with known inequalities?		X
Does the policy relate to any equality objectives that have been set by the Trust?		X
Other?		X

If the answer to *all* of these questions was no, then the assessment is complete.

If the answer to *any* of the questions was yes, then undertake the following analysis:

	Yes	No	Comment
Do policy outcomes and service take-up differ		X	

between people with different protected characteristics?			
What are the key findings of any engagement you have undertaken?			Not applicable
If there is a greater effect on one group, is that consistent with the policy aims?			Not applicable
If the policy has negative effects on people sharing particular characteristics, what steps can be taken to mitigate these effects?			Not applicable
Will the policy deliver practical benefits for certain groups?			Not applicable
Does the policy miss opportunities to advance equality of opportunity and foster good relations?		X	
Do other policies need to change to enable this policy to be effective?		X	
Additional comments			

If one or more answers are yes, then the policy may unlawful under the Equality Act 2010 –seek advice from Human Resources.

Appendix B: Retire and Return Approval Form

Name of Employee Requesting 'Retire & Return':

Name of Line Manager Completing Assessment:

Assessment:

Please provide information in relation to the following factors:

- 1 The requirement for the post to be filled through 'retire and return' in light of cost improvement pressures**

- 2 Equality requirements**

- 3 Value for money**

- 4 The standard of the employee's work and attendance**

- 5 The employee's competence (skills, knowledge and experience) against the essential requirements of the post**

6 Whether the hours proposed can be accommodated / meet service needs

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7 Succession planning and the potential impact the employee's return will have on their team

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8 Whether it is in the best interests of the service to accommodate the 'retire and return' request

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9 Longer term workforce / service plans for the post and team and how the 'retire and return' request fits with this

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Decision

Date the executive director considered the application:

--

Director's name

--

Job title

--

Is the 'retire and return' application approved? *(Tick as appropriate)*

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
----	--------------------------

Summary of rationale for decision

[Empty box for summary of rationale for decision]