## Retirement Procedure

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<th>Version:</th>
<th>3.2</th>
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<td>Bodies consulted:</td>
<td>Staff Side Chair</td>
</tr>
<tr>
<td>Approved by:</td>
<td>PASC</td>
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<tr>
<td>Date Approved:</td>
<td>27.6.16</td>
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<tr>
<td>Lead Manager:</td>
<td>HR Business Partner</td>
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<td>Lead Director:</td>
<td>Director of Human Resources</td>
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<tr>
<td>Date issued:</td>
<td>June 2016</td>
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<tr>
<td>Review date:</td>
<td>May 2019</td>
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1 Introduction

The Tavistock and Portman NHS Foundation Trust is committed to supporting work-life balance and Improving the Working Lives for all its staff.

The Trust’s Retirement Policy highlights the services available within the organisation to support the transition towards retirement, and encourages staff to prepare for their retirement at an early stage; to utilise the support and advice available; and to explore the various options open to them, including flexible retirement opportunities.

The Trust does not operate a compulsory retirement age. The Trust is committed to equal opportunities, adheres to the Equalities Act 2010 and recognises the contributions of a diverse workforce, including the skills and experience of older workers. In order to achieve this, the Trust will support its staff to continue working for as long as they wish to do so, while recognising that in some circumstances it may not be suitable to do so. This policy makes reference throughout to the 1995/2008 and 2015 NHS pension schemes. Staff should refer to the respective schemes (see the NHS Business Services Authority website http://www.nhsbsa.nhs.uk/Pensions.aspx) for full details as it applies to them.

2 Purpose

The purpose of this policy is to provide guidelines for staff regarding retirement and provides details of the various retirement options and support available within the Trust.

This policy is to be read in conjunction with the NHS pension regulations and does not alter in any way the provisions of those regulations or override any statutory retirement provision. Any amendments to the regulations or any statutory retirement provisions, which affect this policy, shall be deemed to amend it. This procedure does not cover pension information in detail, therefore nothing in this policy affects employees’ rights under the NHS Pension Scheme which may have different pension retirement ages for different staff.

The policy is issued for guidance only and does not form part of employees’ contract of employment.
3 Scope

This policy applies to all Tavistock and Portman NHS Foundation Trust employees in accordance with:

- Agenda for Change Terms and Conditions, medical and dental terms and conditions and some senior management on locally agreed terms and conditions of service
- Employment Equality (Repeal of Retirement Age Provisions) Regulations 2011
- Equalities Act 2010.

4 Definitions

**Pensions Retirement Age:** NHS Staff that have contributed to the NHS Pension Scheme will qualify for retirement benefits from the NHS Pension scheme. The pension retirement age is the age when NHS staff in the pension scheme can retire and claim their pension, with no loss in pension benefits. For staff with Mental Health Officer (MHO) status (1995 section only) or other special classes, the pension retirement age is 55. For staff in the 1995 NHS scheme, the pension retirement age is 60, and for staff in the 2008 and 2015 schemes, the pension retirement age is 65. However staff may if they wish continue working and can make contributions to the pension scheme up to the age of 75.

5 Duties and responsibilities

5.1 Chief Executive

The Chief Executive is ultimately responsible for this policy and procedure and has delegated the responsibility for the management of retirement to Directors and Managers, who will be advised by the Human Resources Department.

5.2 Directors and Managers

Directors and managers are responsible for understanding this policy and procedure, and should discuss retirement options with workers in a fair and consistent manner. Directors and Managers are responsible for handling requests from workers to retire or to work flexibly in a sensitive and helpful way, whilst keeping in mind any service delivery considerations.
5.3 Human Resources Department

The Human Resources department (HR) is responsible for advising Directors, Managers and employees in relation to the procedures and support available around retirement. HR shall act with complete independence to ensure consistency and fairness in the application of this procedure.

5.4 Staff wishing to retire

Staff should make themselves aware of the provisions of this policy and procedure. Staff wishing to retire should discuss their proposals for retirement with their managers in a helpful way that keeps in mind service delivery considerations.

6 Procedures

6.1 At what age can employees retire?

The default retirement age of 65 was abolished from 6th April 2011. NHS staff can normally retire and receive their pension with no loss in pension entitlement at various ages ranging from 55 to 65 years of age. However, the age at which you can retire with no pension loss will depend on which NHS pension scheme you are in, as well as whether you are a member of the special classes e.g. MHO status. Please refer to section 6.5 for scheme details applicable to you). This is known as your pension retirement age (see definitions section 4). However, some staff continue working after 65 while others chose to retire on or before 65. The Trust considers that currently it does not require a fixed or employer justified retirement age for its employees, therefore employees at the Trust may choose to retire at any time. However it is important that employees are aware of their pension entitlements and take these into consideration when deciding a retirement date.

6.1.2 Retiring prior to pension retirement age

Under the NHS Pension Scheme an employee may retire and draw their pension earlier than their normal pension retirement age, provided they meet the NHS Pensions Agency’s eligibility criteria and have the required pensionable service. Retiring earlier will however result in an actuarial reduction in pension. Employees wishing to retire earlier than their pension retirement age should contact a member of Human Resources or the Pensions Manager for further information. Contact details for the pensions Manager are in section 8 of this policy.
6.2 Preparation for Retirement

6.2.1 The Role of Employees

Employees must notify their managers of their intended retirement date well in advance, giving at least six months notice of their intended retirement date. This is to ensure adequate planning towards retirement and to aid and support the individual as well as the service.

All employees are encouraged to make proper preparation for their retirement within at least 2 years of their expected date of retirement. In preparing for retirement, employees will need to consider the various options available, including:

- The retirement support available in the Trust,
- what benefits/payments they will get regarding their pension
- Whether they wish to consider flexible retirement options to prepare for their retirement.
- Whether they would wish to return to work after retirement with a reduction in hours

Employees approaching the age at which they wish to retire are encouraged to attend the pre-retirement courses/seminars run by the Trust. Employees will normally be granted time off with pay to attend these courses. It is the responsibility of employees to book themselves onto this course.

Employees paying into the NHS Pension Scheme wishing to retire, should book a meeting with the Pension Manager to discuss the procedure and paperwork for claiming their NHS Pension. The Pensions Manager will require at least 3 months’ notice in order to process pensions. Line managers will need to ensure appropriate time off is given to employees to attend meetings with the Pensions Manager and any pre-retirement courses.

6.2.2 The Role of the Human Resources Department

The Human Resources Department will provide advice and support to staff and managers regarding retirement issues and the retirement options available. It is important that managers and staff discuss retirement options at an early stage. As the pension retirement age for most staff in the NHS will be 65, the Human Resources Department will notify managers at least one year in advance of their staff turning 65, to ensure that staff are aware that they can retire and claim their pension at this age.

6.2.3 The Role of Line Managers
Line Managers should ensure that all issues relating to retirement options are discussed with employees at an early stage. Managers should plan ahead for possible retirement and explore all options for possible retirement, returning to work post retirement and further skills development. Managers must ensure that they consider any requests to retire and return to work on reduced hours fairly and equitably, while taking into account the needs of the individual and the service.

6.3 The Retirement Process

6.3.1 Employees wishing to retire

Once an employee has decided they wish to retire, they should confirm this in writing to their line manager and to Human Resources. If the employee is a member of the NHS pension scheme, they should contact the Pensions Manager prior to their intended retirement date, to ensure that their pension can be processed on time. Once an employee has confirmed their retirement, their employment will be terminated on their retirement date.

Line Managers should follow the standard internal termination procedure and submit a copy of the termination form to HR. Where employees are members of the NHS Pension Scheme, the manager must ensure that this is submitted to HR at least 3 months prior to the retirement date. HR will then forward this on to the Pensions Manager to ensure the employee’s pension can be processed.

6.3.2 Employees who request to retire and return to work

Most employees in the NHS Pension scheme will choose to retire either before or on their Pension retirement age and claim their pension. Some of these employees may wish to return to work after retirement. Employees that wish to do so must put their request to retire and return to work in writing to their line manager. The employee must state whether they wish to return to work on reduced hours or on the same hours and whether they wish this to continue (i) indefinitely; (ii) for a defined period or (iii) until a specific date.

The Trust has agreed in consultation with staff side, guidance for retiring and returning to work. This guidance is contained in Appendix A.

The employee must send this request well in advance and at least three months before their intended retirement date to their Line Manager. This is essential as it will give the manager enough time to consider the request and balance this against the needs of the service.

Once a Line Manager receives this written request from the employee to retire and return to work, the Line Manager will meet with the employee within a reasonable time period, to discuss the request. The aim of this
meeting is for the Line Manager to consider the employee’s request before the employee retires. An employee may choose to be accompanied at this meeting by a workplace colleague employed by the Trust, or by a Trade Union Representative.

Following the meeting, Line Managers will need to consider the employee’s request and decide whether to agree or reject the request. The outcome of the meeting will be confirmed by the Line Manager in writing to the employee as soon as possible after the meeting. On some occasions, it may be necessary to adjourn the meeting to investigate the points that have been raised. If this occurs the meeting will usually be reconvened, but a written decision may be provided without doing so. The Trust will consider each request on an individual basis taking into account the employee’s request, their role and the needs of the organisation.

If a retire and return programme is agreed, the Line Manager should inform the employee in writing and send a copy of this letter and a termination form to HR at least 3 months prior to the employees retirement date, to ensure that their pension can be processed. HR will then forward this onto the pensions Manager. The employee will be able to sign on again for employment with the Human Resources department 24 hours later.

6.4 Associated Pension Issues

6.4.1 Employee continues working beyond their pension retirement age and chooses not to retire and claim pension

Employees paying into the NHS scheme, can only pay into the scheme for a maximum of 45 years or until they reach 75 years of age, whichever comes first. Therefore, employees paying into the NHS pension scheme who reach this age and wish to continue working will only have the option of ‘retire and return’ (see 7.3.2 above).

6.4.2 Employee wants to retire, claim pension and return (‘Retire and Return programme’).

It is possible for an employee to retire, collect their pension and return to work, after a necessary break in service. An employee may return to work full-time or on flexible hours. Please refer to guidance document appendix A, for return to work arrangements following retirement. Depending on age, the amount the employee earns will not affect pension income if over 60 years of age. There may be tax implications with regards to salary when returning to work and the employee will not be able to build up further pension benefits. The Pensions Manager will be able to advise on the procedure for retiring and returning to work.

6.5 Flexible Retirement Options
The Trust positively encourages the use of flexible working arrangements and there are options available to staff to enable a healthier work-life balance with regards to forthcoming retirement in line with all of the NHS pension schemes specifically the 1995 and 2008 schemes (now closed to new entrants) although some staff who are still members of these schemes have the right to retain their membership of those schemes. The 2008 scheme closed to new entrants on 31st March 2015. All new entrants will automatically join the 2015 scheme. For further details please contact a member of the HR team to make appointments to attend a pension meeting with the Trust’s pension manager. These options offer staff an alternative to simply retiring and help support the transition from being employed to retiring. With the approval of their Line Manager staff have the option of gradually reducing their working hours or moving into a less demanding role at a lower grade if they wish to do so. Reducing contractual hours or grade may affect pension payments and full details should be discussed with the Pensions Manager.

6.5.1 Wind Down

With the agreement of the Trust, an employee can reduce their contractual hours as they near their pension retirement age, or the age at which they wish to retire.

For example, hours can be reduced by one day each year up to the date of retirement. For example: age 62 years – 5 days per week
   63 years – 4 days
   64 years – 3 days
   65 years – retire

Effect on pensions – by winding down rather than choosing to retire early an employee will continue to build up their pension contributions as pensions for part-time staff are calculated on the whole time equivalent pensionable salary (excluding overtime and work done on-call or stand-by). The Trusts Pensions Manager will be able to advise fully on the effect on pensions and benefits.

Employees will need to discuss this option with their Line Manager and put their request in writing. Staff can use the procedure set within the flexible working framework as guidance. If agreed, the line manager will need to forward a change form to the relevant HR Department.

6.5.2 Step Down

This option allows an employee to step down into a lower graded position with less responsibility than their current position. Staff will get to make use of their skills and experience in a less demanding position and continue to contribute towards their pension.

Effect on pension – receiving a lower salary will have a direct effect on pension contributions and eventual pension payments. However, with the formal agreement of the Trust, an employee may freeze their pension and start up a second pension based on the new position. At the time of
6.6 Premature retirement on the grounds of ill health

An employee may retire before the usual pension retirement age on grounds of ill health. Ill-Health Retirement is available to employees who have paid at least two years full time pension contributions and meet the criteria set by the NHS Pensions Agency. Retirement on the grounds of ill-health will be managed in line with the Trust's Sickness Absence and Rehabilitation Policy and Procedure.

Retirement benefits consisting of an enhanced pension and lump sum will be payable on retirement if the member retires on grounds of permanent ill-health up to 60 years of age. The application for such benefits will be made to the NHS Pension Agency and must be supported by Occupational Health Physician and/or the employee's GP/Consultant. However, it should be noted that the responsibility for approving such retirements lies with the NHS Pensions Agency. Until this approval is received retirement cannot be guaranteed.

All applications for premature retirement on the grounds of ill health should be made to the Human Resources department. Please refer to the 'Trust's Sickness Absence and Rehabilitation Policy and Procedure' for further details.

6.7 Useful contacts

6.7.1 NHS Pensions Agency  www.nhsbsa.nhs.uk
Members helpline  0300 3301 346 or 0191 279 0571
Choice members helpline  03001231601

6.7.2 Pensions Manager
Joan Hughes
Pensions Manager
UCL Hospitals NHS Foundation Trust
Telephone: 02034479553
E-mail: joan.hughes@uclh.nhs.uk
7 Training Requirements

Managers and supervisors are responsible for updating their knowledge regarding this retirement procedures and any related guidance provided by Human Resources. Human resources staff are formally trained and regularly update their knowledge regarding retirement and other relevant legislation. Staff wishing to retire are encouraged to attend retirement briefings and to seek pensions guidance from the pensions department.

8 Process for monitoring compliance with this Procedure

The Human Resources Director is responsible for monitoring and ensuring compliance with this policy. The Human Resources Director will also be responsible for ensuring that the process of notifying managers of staff approaching the pensions retirement age of 65 is adhered to and complied with by Human Resources staff.

9 References

Employment Equality (Repeal of Retirement Age Provisions) Regulations 2011
The Pension Service (www.thepensionservice.gov.uk)
NHS Pension Agency (www.nhspa.gov.uk)
Equality Act 2010

10 Associated documents

- Sickness Absence and Rehabilitation Policy and Procedure
- Flexible working Policy

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1 For the current version of Trust procedures, please refer to the intranet.
**Appendix A : Equality Impact Assessment**

Completed by
Position
Date

<table>
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<tr>
<th>The following questions determine whether analysis is needed</th>
<th>Yes</th>
<th>No</th>
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<tr>
<td>Is it likely to affect people with particular protected characteristics differently?</td>
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<td></td>
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<tr>
<td>Is it a major policy, significantly affecting how Trust services are delivered?</td>
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<tr>
<td>Will the policy have a significant effect on how partner organisations operate in terms of equality?</td>
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<tr>
<td>Does the policy relate to functions that have been identified through engagement as being important to people with particular protected characteristics?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the policy relate to an area with known inequalities?</td>
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<tr>
<td>Does the policy relate to any equality objectives that have been set by the Trust?</td>
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<td></td>
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<tr>
<td>Other?</td>
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If the answer to *all* of these questions was no, the assessment is complete.

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

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<th>Yes</th>
<th>No</th>
<th>Comment</th>
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<tr>
<td>Do policy outcomes and service take-up differ between people with different protected characteristics?</td>
<td></td>
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<tr>
<td>What are the key findings of any engagement you have undertaken?</td>
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<tr>
<td>If there is a greater effect on one group, is that</td>
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<tr>
<td>consistent with the policy aims?</td>
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<tr>
<td>If the policy has negative effects on people sharing particular characteristics, what steps can be taken to mitigate these effects?</td>
<td></td>
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<tr>
<td>Will the policy deliver practical benefits for certain groups?</td>
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<tr>
<td>Does the policy miss opportunities to advance equality of opportunity and foster good relations?</td>
<td></td>
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<tr>
<td>Do other policies need to change to enable this policy to be effective?</td>
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**Additional comments**

If one or more answers are yes, then the policy may unlawful under the Equality Act 2010 – seek advice from Human Resources (for staff related policies) or the Trust’s Equalities Lead (for all other policies).
Management and Staff Side have agreed an approach, below, to consider requests to return to work at the Trust following redundancy or retirement in order to deliver the Trust’s aim to be sustainable over the long term. The Trust must also ensure that it treats staff and prospective applicants fairly in line with equal opportunity principles.

1. Applying for Employment/Engagement after Redundancy (voluntary or compulsory)

Voluntary
Staff who leave the Trust as part of a voluntary redundancy scheme will not be re-employed or re-engaged for a minimum period of one year from the date of termination of their employment. Following this if posts become available and are advertised, staff who have left in this manner are eligible to apply for any such posts or to apply for short-term work through the Staff Bank, provided this has been approved by the appropriate director.

Compulsory
Staff who leave through compulsory redundancy are eligible to apply for re-employment at any point after leaving the Trust if a suitable post has been advertised or may apply for temporary fixed term work through the Staff Bank. Staff are not prevented from seeking or applying for other work outside of the NHS. However, if they start a new job in the NHS or the Trust in less than four weeks after being made redundant, in line with NHS redundancy policy they will forfeit their redundancy payment and re-accrue any length of service benefits.

2. Applying for Employment/Engagement after Retirement

Staff who choose to leave the Trust through retirement can be re-employed in the Trust via the Staff Bank if it meets the organisation’s needs, provided a period of 1 month elapses from the date of leaving to the date of re-employment. Such arrangements would be regulated and agreed with the staff member and the manager concerned. Engagement would be on a limited number of sessions and have a limited duration in order to allow for gaps in succession planning within the organisation and be paid at a rate appropriate to the job description.

3. Short and Fixed-term Arrangements

In exceptional circumstances, the needs of the Trust may require short and fixed term arrangements, such as:
• transitional arrangements to manage unforeseen vacancies
• gaps between moving from an old team structure to a new team structure
• at the conclusion of fixed-term projects near their end where it would not be practicable to transfer the work to a new person.

In these situations staff who have left and who are eligible may apply for interim roles through the Staff Bank subject to the required conditions and breaks mentioned in 1 and 2 above.

Where a risk assessment has identified work that could not be practically filled by any other person except the person leaving without undue risk to the Trust or to a specific patient(s), an unpaid honorary arrangement may be used by mutual agreement with the service manager and an individual staff member. However, it is the aim of the Trust to ensure that specialist knowledge and skills are not invested in a single person but are shared and managed to ensure continuity and resilience so this option would be limited to exceptional cases and would be time limited.

For more information, speak to a member of the HR Team, your manager and/or a representative from staff side.

Management Committee
April 2013