



**Please Note: This policy is currently under review and is still fit for purpose.**

# Retirement Policy

This procedural document supersedes: CORP/EMP 12 v 6: Retirement Policy



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Author/reviewer: (this version)	Mark Brookes – Deputy Director of P&OD Jodie Bettenson - P&OD Pensions Manager
Date written/revised:	2 <sup>nd</sup> March 2015 - <b>amended 19 January 2016</b>
Approved by:	Policy Approval and Compliance Group
Date of approval:	25 March 2015
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Next review date:	March 2018 – <b>extended to December 2019</b>
Target audience:	Trust-wide

### Amendment Form

Version	Date Issued	Brief Summary of Changes	Author
Version 6 (amended)	20 January 2016	<ul style="list-style-type: none"> <li>• New paragraph 3.4.3 added for clarification according to audit recommendations. Subsequent paragraphs in 3.4 renumbered</li> </ul>	Jodie Bettenson
Version 6	21 April 2015	<ul style="list-style-type: none"> <li>• All references to Long services Awards removed</li> <li>• NEST referenced</li> <li>• Section reordered and rephrased (in places)</li> </ul>	Mark Brookes/ Jodie Bettenson
Version 5	September 2011	The policy has been revised in line with the abolition of the default retirement age. <b>Please read in full.</b>	Keeley Cromwell/ Jodie Bettenson
Version 4	April 2010	<ul style="list-style-type: none"> <li>• Contents page and amendment form added</li> <li>• Update of information on pension scheme requirements</li> <li>• Additional Appendices added</li> </ul>	Jodie Bettenson
Version 3	March 2007	<ul style="list-style-type: none"> <li>• The whole policy has been revised in line with the Employment Equality (Age) Regulations October 2006; employees now have the right to request to continue working beyond their 65<sup>th</sup> birthday.</li> </ul>	Janette Bailey

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## 1. INTRODUCTION & PURPOSE

The policy covers the arrangements for retirement, NHS Pension Scheme claims and retirement gifts.

Full details of the NHS Pension scheme can be found on the link shown below

<http://www.nhsbsa.nhs.uk/Pensions>

The policy does not cover:

- Ill health retirement. Where this is being considered, please contact the Deputy Director of People and Organisational Development (Operations) for advice and;
- The Governments National Employment Savings Trust (“NEST”) pension claims. For this information please refer to the NEST scheme member guide or contact NEST directly by email or telephone.

## 2. DUTIES AND RESPONSIBILITIES

Employees may submit a request to retire from Trust employment at any time. Managers have a responsibility to consider all applications and where necessary consult with the NHS Shared Business Services (SBS) Pensions Team for advice and guidance. Section three provides details of the options available and specific responsibilities for both employees and managers under each option.

## 3. RETIREMENT OPTIONS

### 3.1 Retirement Planning

You may wish to consider different options when planning for your retirement. The sections below detail the options that may be available to you. As some options these may require a formal and occasionally lengthy process, it is important you involve both your line manager and the SBS Pensions Team as part of your decision making process.

### 3.2 Flexible Working

Prior to retirement employees may wish to adopt a flexible working pattern. Entitlement to work flexibly is at the discretion of the Trust. If an employee wishes to adopt a flexible working pattern, this should be discussed with their Line Manager as soon as possible. All requests will be considered under the Trust’s Flexible Working Policy (CORP/EMP 48). Employees considering a change to their working pattern may wish to contact the SBS Pensions Team to discuss whether it would have an impact of their retirement options.

### **3.3 Early Retirement**

There are provisions within the NHS Pension Scheme for pensions to be payable before the normal retirement age. If an employee is contemplating this option they should discuss it with their line manager and the SBS Pensions Team as pension entitlements will be affected.

### **3.4 Flexible Retirement and Returning to Work**

- 3.4.1 Requests for flexible retirement are at the Trust's discretion. Before agreeing to this request, the manager should determine whether the post is required in order to meet the needs of the service and submit and receive a successful Vacancy Control application in respect of the relevant post. A return to work would normally only be agreed in the following circumstances:
- Shortage of skills
  - Shortage of experience, or
  - Difficulty to recruit a replacement
- 3.4.2 The employee must take a break in NHS employment of a minimum of 14 days. Should the employee have more than one concurrent NHS post, the employee must leave all existing NHS contracts for the minimum period.
- 3.4.3 Where an agreement is reached to re-employ an individual following their retirement, the manager must issue a new contract of employment to the employee, to commence following the break described in 3.4.2.
- 3.4.4 This break in service means that on re-employment to the NHS an employee must work a minimum of 2 years to accrue their statutory employment rights under the Employment Rights Act 1996, and a minimum of 104 weeks continuous service to be eligible for both statutory and occupational redundancy payments. This break does not affect accrued entitlements to occupational sick pay and contractual annual leave as detailed in the Agenda for Change Terms and Conditions of employment (although the added costs of this when compared to recruiting a new employees should be taken into consideration).
- 3.4.5 If an employee has previously been given pension benefits, any employment that has been taken into account for the purposes of those pension benefits, will not count as reckonable service for the purposes of NHS redundancy pay or future pay protection
- 3.4.6 Following the required break in service and where the employee is re-employed at the Trust within one month of their retirement date, the total hours worked in all NHS contracts must not exceed 16 per week. This restriction will apply until one calendar month has elapsed, counted from the date immediately following the retirement date. An example is shown below:

Employee reaches retirement age on Thursday 13th March 2014

Last day of service: Sunday 16th March 2014

Break in Service: Monday 17th March to Sun 30th March inclusive

Restriction to 16 hours per week applies: Monday 31st March to Wednesday 16th April inclusive.

- 3.4.7 Following the restricted period of working and subject to the requirements of the service, an employee may agree to increase their hours worked. However if the employee had “special class” pension scheme membership, this may affect the amount of pension they continue to receive. If an employee will retire with special class status, they should seek further details from the SBS Pensions Team before agreeing to any such arrangement.

### **3.5 Full Retirement from NHS Service**

When an employee wishes to take full retirement and leave the Trust they must provide formal notice to their line manager at least four months before they wish to leave. This is a requirement irrespective of whether they are currently paying into either the NHS Pension scheme or NEST.

### **3.6 Retirement Process for Active Members of the NHS Pensions Scheme**

- 3.6.1 Employees must inform their line manager and the SBS Pensions Team of their intention to retire. Ideally this should be 6 months prior to leaving, but must not be less than 4 months before the intended date. This is to allow sufficient time for the application to be processed and Trust workforce planning to take place.
- 3.6.2 Employees must reach agreement with their line manager regarding the exact date on which the Contract of Employment will end (normally a Sunday), by giving and accepting written notice. This will be the retirement date which the manager must confirm to the SBS Pensions Team (using the form at Appendix A). The manager should use Appendix B to notify the SBS Pensions Team if there are any subsequent changes to the information already provided on Appendix A. Provision of an accurate retirement date at this early stage will ensure that correct pension benefits are paid. Where flexible retirement has been agreed (see Section 3.4), details of this arrangement should also be included.

## **4. PRE RETIREMENT COURSES**

The Trust aim to run pre-retirement course at least once a year to support employees approaching retirement age. These courses are run by external agencies to the Trust to give employees the opportunity to discuss their options in terms of their financial planning and to get answers to any questions they may have.

However employees should be aware that NHS Pensions do not endorse any external organisations to inform members about their NHS Pension Scheme benefits. In addition, the Trust does not endorse products or services offered by third parties brought in to clarify certain financial matters in respect of Pension and Statutory benefits. It is therefore important that employees understand

that advice provided is not endorsed by the Trust and as such, cannot be held accountable for the decisions made following receipt of information from these third parties.

## 5. RETIREMENT GIFTS

If you have completed 20 years total NHS service (or more) on retirement, you are eligible to receive a small token of appreciation for your loyalty. The value of the gift is detailed below:

20 years:	£100
25 years:	£120
30 years:	£150
40 years:	£200

If you elect to receive the retirement gift from the Trust in a monetary form it is paid through payroll and subject to tax. If it is taken in the form of a gift (or gift voucher) the full benefit can be released.

Gifts can be made in circumstances where a staff member retires or leaves the Trust due to health reasons provided that the service is in excess of 20 years. An employee's next of kin will also be entitled to the gift when a staff member dies during employment.

Managers may combine the retirement gift with any contributions made from colleagues and can, by arrangement with the Procurement Team; purchase a gift from a local store. Contributions from colleagues in these circumstances should be paid into the Trust Funds used to meet the cost of invoices.

When making presentation arrangements, managers should, wherever possible, ask a member senior manager or a member of the Executive Team to make the presentation. Catering for any retirement buffet can be ordered via the catering department and can be funded using the value of the gift but there is no additional corporate funding available.

## 6. USEFUL CONTACTS

Below is a list of contacts which can provide further support:

CONTACT	
NHS Pensions Member Helpline and website	0300 3301 346 <a href="http://www.nhsbsa.nhs.uk/pensions">www.nhsbsa.nhs.uk/pensions</a>
NHS Shared Business Services (SBS) Pensions Team	0330 123 5794 and follow instructions <a href="mailto:SBS-S.dbh@nhs.net">SBS-S.dbh@nhs.net</a>
NEST employer and employee website	<a href="https://www.nestpensions.org.uk/schemeweb/NestWeb/public/support/contents/contact-us.html">https://www.nestpensions.org.uk/schemeweb/NestWeb/public/support/contents/contact-us.html</a>

## 7. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment (EIA) has been conducted on this procedural document in line with the principles of the Equality Analysis Policy (CORP/EMP 27) and the Fair Treatment for All Policy (CORP/EMP 4). A copy of the EIA is at Appendix C.

The purpose of the EIA is to minimise and if possible remove any disproportionate impact on employees on the grounds of race, sex, disability, age, sexual orientation or religious belief. No detriment was identified.

## 8. MONITORING COMPLIANCE WITH THE PROCEDURAL DOCUMENT

Monitoring of the National guidance of changes will be the responsibility of the People and Organisational Development Department.

## 9. ASSOCIATED TRUST PROCEDURAL DOCUMENTS

CORP/FIN 2 – Trust Funds – A Guide

CORP/FIN 4 – Standards of Business Conduct and Employees Declarations of Interest Policy

## 10. REFERENCES

Pensions Advisory Service: [The Pensions Advisory Service](#)  
State pension entitlements: [The Pension Service - GOV.UK](#)



**APPENDIX A – NOTIFICATION OF INTENTION TO RETIRE**

<b>To:</b> NHS Shared Business Services (SBS)	<b>From:</b> <input style="width: 95%; height: 80px;" type="text" value="Manager's name/department/site"/>
<b>Tel:</b> <input style="width: 80%; height: 25px;" type="text" value="Administrator's contact no."/>	<b>Date:</b> <input style="width: 80%; height: 25px;" type="text"/>

**NHS PENSION: RETIREMENT CONFIRMATION**

To be completed by the manager of the employee at least 4 months prior to retirement

**1. EMPLOYEE NAME:**  **DOB:**

**The contract of the above named will end on (date):**

<b>2. REASON FOR RETIREMENT: enter "Y" in box against the relevant option</b>	
a) Scheme Retirement Age achieved	<input type="checkbox"/>
b) Ill Health Retirement	<input type="checkbox"/>
c) Voluntary Early Retirement (reduction, no redundancy pay)	<input type="checkbox"/>

*for flexible retirement now go to 5*

<b>3. OUTSTANDING ANNUAL LEAVE</b>	
Number of untaken hours to be paid on retirement <i>if no hours due enter "Nil" and continue at 4</i>	<input type="text"/>
<b>4. PAID NOTICE do not include pay in lieu of notice</b>	
Number of weeks' paid notice due on retirement <i>if no paid notice due enter "Nil"</i>	<input type="text"/>

<b>5. FLEXIBLE RETIREMENTS ONLY complete all sections</b>		
Date of return to employment <i>minimum 14 days break from all NHS employment required</i>		<input type="text"/>
New contract hours on return <i>Total NHS hours must not exceed 16 per week during the first complete calendar month following date given at 1.</i>		<input type="text"/>
Further change to contract hours (if applicable) <i>If an agreement to increase hours following the first complete month has been made, enter new hours and effective date</i>	<b>Date</b>	<input type="text"/>
	<b>Hours</b>	<input type="text"/>

**Authorised by:** Budget Holder/Manager

**APPENDIX B – NOTIFICATION OF INTENTION TO RETIRE (REVISED DETAILS)**

**To:** NHS Shared Business Services (SBS) **From:** *Manager's name/department/site*

**Tel:** *Administrator's contact no.* **Date:**

**NHS PENSION: RETIREMENT CONFIRMATION**

To be completed by the manager of the retiring employee

**1. EMPLOYEE NAME:**  **DOB:**

**The contract of the above named will end on (date):**

<b>2. REASON FOR RETIREMENT:</b> <i>enter "Y" in box against the relevant option</i>	
a) Scheme Retirement Age achieved	
b) Ill Health Retirement	
c) Voluntary Early Retirement (reduction, no redundancy pay)	

*for flexible retirement now go to 5*

<b>3. OUTSTANDING ANNUAL LEAVE</b>	
Number of untaken hours to be paid on retirement <i>if no hours due enter "Nil" and continue at 4</i>	
<b>4. PAID NOTICE</b> <i>do not include pay in lieu of notice</i>	
Number of weeks' paid notice due on retirement <i>if no paid notice due enter "Nil"</i>	

<b>5. FLEXIBLE RETIREMENTS ONLY</b> <i>complete all sections</i>	
Date of return to employment <i>minimum 14 days break from all NHS employment required</i>	
New contract hours on return <i>Total NHS hours must not exceed 16 per week during the first complete month following date given at 1.</i>	
Further change to contract hours (if applicable) <i>If an agreement to increase hours following the first complete month has been made, enter new hours and effective date.</i>	<b>Date</b>
	<b>Hours</b>

**THE ABOVE DETAILS REPLACE MY PREVIOUS NOTIFICATION.**

**Authorised by:** *Sign & print name.*  
Budget Holder / Manager

## APPENDIX C – EQUALITY IMPACT ASSESSMENT PART 1 INITIAL SCREENING

Service/Function/Policy/Project/Strategy	CSU/Executive Directorate and Department	Assessor (s)	New or Existing Service or Policy?	Date of Assessment
CORP/EMP 12 v.6 – Retirement Policy	People and Organisation Development	Mark Brookes	Existing policy	March 2015
<b>Who is responsible for this policy?</b> People and Organisational development Directorate				
<b>Describe the purpose of the service / function / policy / project/ strategy?</b> To provide managers and their employees with guidance on retirement planning and associated options				
<b>Are there any associated objectives?</b> None				
<b>What factors contribute or detract from achieving intended outcomes?</b> – None				
<b>Does the policy have an impact in terms of age, race, disability, gender, gender reassignment, sexual orientation, marriage/civil partnership, maternity/pregnancy and religion/belief?</b> No				
<b>If yes, please describe current or planned activities to address the impact</b> N/A				
<b>Is there any scope for new measures which would promote equality?</b> N/A				
<b>Are any of the following groups adversely affected by the policy?</b>				
Protected Characteristics	Affected?	Impact		
Age	No			
Disability	No			
Gender	No			
Gender Reassignment	No			
Marriage/Civil Partnership	No			
Maternity/Pregnancy	No			
Race	No			
Religion/Belief	No			
Sexual Orientation	No			
<b>Provide the Equality Rating of the service/ function/policy /project / strategy</b>				
<b>Outcome 1</b> ✓	Outcome 2	Outcome 3	Outcome 4	
<b>Date for next review:</b> March 2018				
<b>Checked by:</b> Mark Brookes			<b>Date:</b> 5 March 2015	