



Retirement Policy

**This procedural document supersedes: CORP/EMP 12 v 7 (amended):
 Retirement Policy**



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The Trust discourages the retention of hard copies of policies and can only guarantee that the policy on the Trust website is the most up-to-date version. **If, for exceptional reasons, you need to print a policy off, it is only valid for 24 hours.**

Executive Sponsor(s):	Zoe Lintin, Chief People Officer
Author/reviewer: (this version)	Tully Monk, People Systems & Workforce Information Team Manager
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Target audience:	Trust-wide

Amendment Form

Version	Date Issued	Brief Summary of Changes	Author
Version 8	June 2024	<p>Removal of references to SBS and replaced with VPS, changes for factual accuracy, review of information relating to flexible retirement requests. References to NEST removed.</p> <p>Partial Retirement section added</p> <p>Flexi retirement section updated</p> <p>Inclusion of appeal process</p>	Tully Monk
Version 7	June 2021	Minor changes only - Removal of references to Employee services and replaced with Victoria Pay Services (VSP), changes for factual accuracy, and review of information relating to flexible retirement requests. Clarity added to sections 3.4 and 3.5. Addition of Appendix C – managers decision template for retire and return to work	Mark Brookes
Version 6	March 2015	All references to Long services Awards removed	Mark Brookes/Jodie Bettenson
Version 6	March 2015	NEST referenced	Mark Brookes/Jodie Bettenson
Version 6	March 2015	Section reordered and rephrased (in places)	Mark Brookes/Jodie Bettenson
Version 5	September 2011	The policy has been revised in line with the abolition of the default retirement age. Please read in full.	Keeley Cromwell / Jodie Bettenson
Version 4	April 2010	<ul style="list-style-type: none"> • Contents page and amendment form added • Update of information on pension scheme requirements • Additional Appendices added 	Jodie Bettenson
Version 3	March 2007	<ul style="list-style-type: none"> • The whole policy has been revised in line with the Employment Equality (Age) Regulations October 2006; employees now 	Janette Bailey

		have the right to request to continue working beyond their 65 th birthday.	
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1 INTRODUCTION & PURPOSE

Supporting our employees to work flexibly towards the end of their careers can help colleagues achieve a healthy work-life balance and enable retention of valuable skills and experience.

The NHS Pension Scheme provides flexible retirement options to support working arrangements that meet the personal, wellbeing and financial needs of our people. This also offers opportunities for colleagues to stay in work should they wish, and to support succession planning by passing on their valuable skills and knowledge to other colleagues.

Retaining skills, knowledge and experience is important to ensure the delivery of high-quality patient care.

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 refer to the Sickness Absence Policy (CORP/EMP 1) and discuss with your People Business Partner Team for further advice;
- 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 VPS (Victoria Pay Services) 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

3.0 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 of these options may require a formal and occasionally lengthy process, it is important you involve both your line manager and the VPS Pensions Team as part of your decision-making process.

3.1 Flexible working

The Trust acknowledges that employee's may wish to make some adjustments to their working pattern prior to retirement, for example by reducing hours (winding down), adopting a flexible working pattern, or stepping down into a less demanding and lower banded role. Individuals should explore such options with their manager utilising the Trust's flexible working policy. Decisions regarding flexible working requests are at the discretion of the Trust. If an employee wishes to make a flexible working application, this should be discussed with their Line Manager as soon as possible. All requests will be considered in line with the Trust's Flexible Working Policy (CORP/EMP 48). Employees considering a change to their working pattern, role or band may wish to contact the VPS Pensions Team to discuss whether it would have an impact on their pension and retirement options before submitting an application.

3.2 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 VPS Pensions Team as their pension entitlements will be affected. Individuals should also take independent financial advice as needed.

3.3 Flexible retirement options

Decisions regarding flexible retirement applications are at the Trust's discretion. When considering a request, the manager should take into account the needs of the service, future workforce planning and requirements, and the ability to retain the skills, experience and knowledge required to provide high quality patient care. A return to work would normally be agreed in the following circumstances:

- Shortage of skills
- Shortage of experience, or
- Difficulty to recruit a replacement

When considering an application from an employee who wishes to Retire and Return to work (see section 3.4 below), the manager must be able to demonstrate that there is a business requirement for the post to be filled and that the budget associated with the role could not be utilised in a different or more cost-effective way. Demonstration of this evidence is required for submission of the Vacancy Control Form (VCF).

Managers therefore need to carefully consider the following:

- Whether there are any organisational changes or cost improvement measures planned and any potential impact on the role
- Whether it is in the best interests of the service to accommodate the flexible retirement request.
- The requirement for the post to be filled in light of cost improvement pressures e.g. value for money.
- Equality requirements and fair treatment for all colleagues.
- The employee's skills, knowledge and experience against the requirements for the post and the delivery of high-quality service delivery.
- The work standard of the employee requesting flexible retirement including performance, attendance and conduct.
- Whether any hour's adjustment proposed after the flexi retirement can be accommodated to meet service needs and how the remaining work will be organised.
- Succession planning and consideration of longer-term workforce/service plans and how the flexible retirement application supports delivery of this.

If the above criteria cannot be satisfied, then the manager should decline the request, and/or discuss alternative options with the individual. Managers should utilise the guidance template in Appendix C to evidence and support their decision making. The manager may be asked to submit this form in conjunction with the Vacancy Control application in respect of the relevant post.

Section 3.5 gives more detail about the option to Retire and Return to work.

3.4 Appeals

If a manager is unable to agree to a request to reduce an employee's hours/band, or enable them to retire and return to work, the employee will be notified in writing within 28 days of the initial request being made in writing (See Flexible Working policy CORP/ EMP 48). If through further discussion no agreement can be reached the employee may appeal against the decision under the Flexible Working Policy.

3.5 Retire and return to work

Employees must inform their line manager and the VPS Pensions Team of their intention to retire and return to work. Ideally this should be 6 months prior to retiring but should be no less than 4 months before the intended date. This is to allow sufficient time for the application to be processed and any associate workforce planning and adjustments to take place. Where required, the manager must submit and receive a successful Vacancy Control application in respect to the relevant post prior to formally agreeing to a request.

Employees wishing to take this option must take a minimum of a 24-hour break in NHS employment (this is a requirement of the NHS Pension Scheme). The employee may take longer should they wish, although this should be with the agreement of local manager.

Should the employee have more than one concurrent NHS post, the employee must leave all existing NHS contracts for the minimum period. The abatement rule where employees were required to work 16 hours per week for the first month following flexi retirement was suspended from March 2020 and permanently removed in April 2023. Employees may now return to the work pattern/rota they were working prior to taking the break in NHS employment. Managers are still required to submit a Vacancy Control Form (VCF) to obtain formal Trust approval before formally agreeing to a request.

The 24-hour break does not affect previously 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 employee should be taken into consideration). However, should the employee wish to take one week or longer off before returning to employment, the 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. Further guidance can be found in the Retire and Return FAQ found here:

[Retirement & pension flexibilities – The Hive \(dbth.nhs.uk\)](https://dbth.nhs.uk/retirement-pension-flexibilities)

If an employee has previously received 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.

The rules for how a pension might be reduced for Special Class and Mental Health Officer (MHO) members who retire on age grounds but return to work before age 60, have been suspended since March 2020. In March 2024 NHS Pensions confirmed that abatement rules for special class status will be permanently removed.

So, from age 55, Special Class and MHO members can take up to 100% of their pension benefits, stay in work, and continue to build up pension benefits in the 2015 Scheme – without having their pension reduced or stopped. Visit www.nhsbsa.nhs.uk/nhs-pension-retirement-flexibilities for more about partial retirement, and information about circumstances where abatement could still apply.

Employees returning under a Retire and Return arrangement are eligible to re-join the NHS Pension 2015 scheme. These employees will automatically be joined into the 2015 section of the NHS pension's scheme pension scheme as this is a legal requirement under the pension regulators legislation. If individuals are considering opting out of the NHS Pension Scheme on return to work, they are encouraged to take independent advice as this may mean they are no longer able to access important benefits under the scheme. Should individuals wish to discuss the process of opting out of the NHS Pension Scheme they should contact VPS Pensions Team on the contact details given below.

Employees are strongly advised to take independent financial advice when considering an application to Retire and Return.

The line manager is responsible for ensuring the appropriate changes are made through ESR Manager Self Service (or for medical and dental colleagues via email submission of the relevant forms) to ensure the relevant changes to assignment can be made in sufficient time to enable the retire and return to be processed. Further information on the process to follow can be found here:

[Retirement & pension flexibilities – The Hive \(dbth.nhs.uk\)](https://dbth.nhs.uk)

3.6 Partial Retirement

Employees must inform their line manager and the VPS Pensions Team of their intention to take partial retirement. Ideally this should be 6 months prior to retiring but should be no less than 4 months before the intended date. This is to allow sufficient time for the application to be processed and any associate workforce planning and adjustments to take place.

Employees aged 55 and over can choose to take part, or all of their pension benefits while continuing to work in NHS employment and build further pension benefits in the 2015 Scheme. This is called partial retirement – it may also be known as drawdown. Employees and their line managers must consider the requirements detailed in section 3.3 before agreeing an application for partial retirement.

To qualify for partial retirement employees must be an active member of the NHS Pension Scheme and MUST reduce their pensionable earnings by 10% following partial retirement. This restriction should remain in place for a minimum of 12 months. Employees must discuss with their manager how this may be achieved and detail this using the application form which can be found here: [Retirement & pension flexibilities – The Hive \(dbth.nhs.uk\)](https://dbth.nhs.uk). Failure to reduce earnings by 10% will result in pension payments being abated and payments already made will need to be repaid. Further information on Partial retirement can be found on the NHS pensions website and can be found by following this [link](#) . A Trust FAQ on partial retirement can be found on the Hive here: [Retirement & pension flexibilities – The Hive \(dbth.nhs.uk\)](https://dbth.nhs.uk)

Employees retiring under Partial Retirement arrangement are eligible to re-join the NHS pension 2015 scheme. These employees will automatically be joined into the 2015 section of the NHS pension's scheme pension scheme as this is a legal requirement under the pension regulators legislation. If individuals are considering opting out of the NHS Pension Scheme following partial retirement, they are encouraged to take independent advice as this may mean they are no longer able to access important benefits under the scheme. Should individuals wish to discuss the process of opting out of the NHS Pension Scheme they should contact VPS Pensions Team on the contact details given below.

Employees are strongly advised to take independent financial advice when considering partial retirement.

The line manager is responsible for ensuring the appropriate changes are made through ESR Manager Self Service (or for medical and dental colleagues via email submission of the

relevant forms) to ensure the relevant changes to assignment can be made in sufficient time to enable the partial retirement to be processed. Further information on the process to follow can be found here:

[Retirement & pension flexibilities – The Hive \(dbth.nhs.uk\)](https://dbth.nhs.uk)

3.7 Full Retirement from NHS Service

Employees must inform their line manager and the VPS Pensions Team of their intention to retire. Ideally this should be 6 months prior to leaving but must be no 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. This applies whether the individual is an active member of the scheme or whether they are deferred member. [Members who leave the NHS Pension Scheme without immediate entitlement to benefits but retain deferred benefits in the Scheme for payment at Normal Pension Age, are classed as deferred members.]

Employees must reach an agreement with their line manager regarding the exact date on which the Contract of Employment will end by giving and accepting the written notice. This will be the retirement date that the manager must confirm to the VPS Pensions Team (using the form at Appendix A). The manager should use Appendix B to notify the VPS 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 a Retire and return to employment has been agreed (see Section 3.4), details of this arrangement should also be included.

The line manager is responsible for ensuring the appropriate termination of assignment is made through ESR Manager Self Service (or for medical and dental colleagues via email submission of the relevant form) to ensure the assignment can ended with sufficient time to enable the retirement to be processed.

4 PRE-RETIREMENT COURSES

The Trust aims to run pre-retirement course at least twice 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.

Details of pre-retirement courses that are available can be found on the HIVE and by contacting the education team on 01302 642055.

5 RETIREMENT GIFTS

If you have completed 20 years total NHS service (or more) on retirement, you are eligible to receive a 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

The gift may be received when an individual takes flexible retirement or when they fully leave the Trust, however, the gift can only be accessed once and is based on total service at the time of requesting the gift. 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. The manager may order the retirement gift/ voucher through the Trust's oracle purchase order system.

Gifts can be made in circumstances where a colleague retires or leaves the Trust due to an ill-health retirement process provided that the service is in excess of 20 years. An employee's next of kin will also be entitled to the gift if a colleague 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 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 www.nhsbsa.nhs.uk/pensions
VPS Pensions Team	sth.pensions@nhs.net 0114 3052220 choose option 6

NEST employer and employee website

<https://www.nestpensions.org.uk/schemeweb/NestWeb/public/support/contents/contact-us.html>

7 EQUALITY IMPACT ASSESSMENT

The Trust aims to design and implement services, policies and measures that meet the diverse needs of our service, population and workforce, ensuring that none are disadvantaged over others. Our objectives and responsibilities relating to equality and diversity are outlined within our equality schemes. When considering the needs and assessing the impact of a procedural document any discriminatory factors must be identified.

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).

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 (see Appendix D).

8 ASSOCIATED TRUST PROCEDURAL DOCUMENTS

Equality Analysis Policy (CORP/EMP 27)

Fair Treatment for All (CORP/EMP 4)

Flexible Working Policy (CORP/EMP 48)

Sickness Absence Policy (CORP/ EMP 1)

9 REFERENCES

Pensions Advisory Service:

[The Pensions Advisory Service](#)

State pension entitlements:

[The Pension Service - GOV.UK](#)

NHS Pensions Member pages:

[NHS Pensions Member website](#)

NHS Pensions website employer Hub:

[NHS Pensions Employers Hub website](#)

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

To: VPS Pensions Team C/O People Systems Team, D Block, DONCASTER Royal Infirmary Gate 1A DN2 5LT	From:	From: <input type="text" value="Manager's name/department/site"/>
Tel: <input type="text" value="Administrator's contact no."/>	Date:	<input type="text"/>

NHS PENSION: RETIREMENT CONFIRMATION

To be completed by the manager of the retiring employee

1. EMPLOYEE DOB:

NAME:

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

2. REASON FOR RETIREMENT: <i>enter "Y" in box against the relevant option</i>	
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

3. OUTSTANDING ANNUAL LEAVE	
Number of untaken hours to be paid on retirement <i>if no hours due enter "Nil" and continue at 4</i>	<input type="text"/>
4. PAID NOTICE <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>	<input type="text"/>

5. RETIRE & RETURN ONLY <i>complete all sections</i>	
Date of return to employment <i>minimum 24-hour break from all NHS employment required. All pro rata annual leave to date of retirement must be utilised and cannot be paid.</i>	<input type="text"/>
New contract hours on return <i>To be agreed with line manager</i>	<input type="text"/>
6. PARTIAL RETIREMENT ONLY <i>complete all sections</i>	
Partial Retirement date	<input type="text"/>
Partial retirement application form completed and authorised	<input type="text"/>
Authorized by: Budget Holder / Manager _____	<input type="text"/>

THE ABOVE DETAILS REPLACE MY PREVIOUS NOTIFICATION -

Signature _____

12 APPENDIX C - RETIRE AND RETURN CHECKLIST

Retire & Return Manager Checklist

The underlying principles of “retire & return” are to ensure colleagues who have valuable skills, knowledge and experience, can continue working for the benefit of patients. It also supports colleagues approaching retirement age to prioritise their health and wellbeing whilst allowing them to work longer/stay at work. This also supports colleagues in the transition to final retirement through either stepping down (reducing responsibility levels) and/or winding down (reducing worked hours). There is no guarantee that applications for “retire and return” will be granted, and the below checks must first be considered to ensure its viability:

Will agreeing to this request provide value for money in light of budgetary requirements?
Please give considerations below:

Is this role a hard to fill post?

Yes No

Does the colleague have good standards of work and attendance?

Yes No

Does the colleague have the relevant competencies for the post? (Skills, knowledge, experience etc.)

Yes No

Can the proposed hours for the "retire and return" be accommodated within service needs?

Yes No

Please provide justifications below:

Will the application and subsequent return to work impact on succession planning for the team/ service?

Yes No

Please give considerations below:

What impact will the "retire and return" have on service delivery/ patient care within the team?

Has the impact of the "retire and return" on the long-term workforce plan been considered?

Yes No

Please give considerations below:

Have you considered any potential equality/ fair treatment requirements related to the individual request (seek advice from your HR Business Partner as required)?

Yes No

Please give considerations below:

Overall is it in the best interests of the service and the team to accommodate the employees request to retire and return?

Managers Signature: _____

Date completed: _____

13 APPENDIX D – EQUALITY IMPACT ASSESSMENT PART 1 INITIAL SCREENING

Service/Function/Policy/Project/Strategy	Division	Assessor (s)	New or Existing Service or Policy?	Date of Assessment
CORP/EMP 12 v.8 – Retirement Policy	People and Organisation Development	Tully Monk	Existing policy	May 2024
Who is responsible for this policy? People and Organisational Development Directorate				
Describe the purpose of the service / function / policy / project/ strategy? To provide managers and their employees with guidance on retirement planning and associated options				
Are there any associated objectives? None				
What factors contribute or detract from achieving intended outcomes? – None				
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? No				
If yes, please describe current or planned activities to address the N/A				
Is there any scope for new measures which would promote equality? N/A				
Are any of the following groups adversely affected by the policy?				
Protected Characteristics	Affected?	Impact		
a) Age	No			
b) Disability	No			
c) Gender	No			
d) Gender Reassignment	No			
e) Marriage/Civil Partnership	No			
f) Maternity/Pregnancy	No			
g) Race	No			
h) Religion/Belief	No			
i) Sexual Orientation	No			
1) Provide the Equality Rating of the service / function /policy / project / strategy – tick (✓) outcome box				
Outcome 1 ✓	Outcome 2	Outcome 3	Outcome 4	
<i>*If you have rated the policy as having an outcome of 2, 3 or 4, it is necessary to carry out a detailed assessment and complete a Detailed Equality Analysis form – see CORP/EMP 27.</i>				
Date for next review: April 2027				
Checked	Anthony Jones	Date:	May 2024	