

Retirement Policy

Policy: HR 57

Policy Descriptor

This Policy sets out the Trust's approach to the retirement of its employees and aims to provide a uniform and equitable approach to the management of retirement in accordance with the requirements in the Equality Act 2010.

It outlines the Trust's commitment to equal opportunities in employment for employees irrespective of age.

The Policy also supports opportunities for flexible retirement for the period leading up to retirement.

If you require this document in a different format or language please speak to a member of Trust staff.

If you would like to provide feedback about our services
Contact PALS – 01392 675686 or email dpn-tr.pals@nhs.net

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Action

These are the key points for action from this policy:

- The policy sets out the process for retirement but also recognises that there are alternatives to formal retirement through flexible retirement options.
- Staff may be able to 'retire and return' to ensure that their skills and knowledge are retained for the benefit of people who use the service.
- Staff who intend to retire must give their manager and the Pensions Department 6 months' notice in order to receive their pension in good time.

1. Introduction

- 1.1. The introduction of the Employment Equality (Age) Regulations in October 2006 and the subsequent Equality Act October 2010 makes it unlawful to discriminate against employees on the basis of their age.
- 1.2. As an alternative to formal retirement, staff can consider flexible retirement, whereby they can 'wind down' prior to retirement by, for example, reducing hours or applying for a lower graded post with less responsibility until they retire. The benefit for the employer in offering such flexible retirement options has been recognised by the NHS in its commitment to improving staff health and wellbeing.
- 1.3. The Trust supports the principles of 'Retire and Return' where this is beneficial to patient care and can demonstrate value for money.

2. Purpose

- 2.1. The main purpose of this policy is to set out this Trust's approach to the retirement of its employees and to provide a uniform and equitable approach to the management of retirement.
- 2.2. The Policy ensures the Trust's compliance with age legislation in respect of the employment of staff in the lead up to their retirement. It confirms the organisation's commitment to a positive approach to equal opportunities in the employment of employees, irrespective of their age.
- 2.3. It also confirms that employees have an alternative to formal retirement through flexible retirement. Any requests for flexible retirement need to be considered and approved in line with the needs of the service. Any changes represent a contractual change and will be considered in line with the [Flexible Working Policy HR47](#)

3. Duties of employer / employee

- 3.1. The organisation has overall responsibility for ensuring compliance with the Equality Act 2010.
- 3.2. All employees who chose to retire may also apply for the flexible retirement options outlined in this policy which are applicable for the period up until their retirement date. This is a matter for negotiation with local managers and will be considered and approved in line with the needs of the service. Employees may need to follow the [Flexible Working Policy HR47](#) that is available to all employees regardless of their age.
- 3.3. Employees who wish to retire and take their pension must confirm in writing their intention to retire and the date of that retirement as they must be terminated from their employment with the Trust.
- 3.4. Both Managers and employees should seek advice on the application of this policy from the HR Advisory Team, who will be responsible for monitoring its use.

4. Principles

- 4.1. The Equality Act (2010) places a statutory duty on employers to prevent discrimination on the grounds of age.
- 4.2. The Trust supports staff who are planning for retirement through both flexible retirement options and, in some cases, through retirement and return. Employees do not have an automatic right to return to work following retirement and the Trust has a duty to ensure that any procedures that allow employees to return are fair and transparent and do not disadvantage either the retiree or other staff.

- 4.3. The underlying principles of 'retire and return' are to:
- Ensure older staff who have valuable skills, knowledge and experience, can continue to work for the benefit of patients.
 - Ensure older staff can be supported in prioritising their health and wellbeing at the same time as working longer / staying in work
 - Demonstrate value for money, for example where there are staff shortages
- 4.4. Flexible retirement options are designed to provide flexibility in regards to the age that people retire, the length of time it takes for an employee to fully retire and/or the nature and intensity of the work in the lead up to the final retirement.
- 4.5. 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 in the NHS, reckonable service will begin from the date of return to employment after the break in service.
- 4.6. Employees who are in receipt of any earnings-related protection will lose that protection on their return to work following the break in service.

5. Retirement Options

- 5.1. Employees are encouraged to seek guidance about their individual position in relation to pensions from the Trust Pensions Department keeping in mind that the department requires 6 months' notice when processing retirements. Information is also available from the NHS Pensions Agency Website www.nhsbsa.nhs.uk/pensions.
- 5.2. This policy acknowledges that there are other reasons apart from normal age retirement when employees may be entitled to retire and employees are encouraged to consider the following flexible retirement options where appropriate.
- Normal retirement age
 - Voluntary Early Retirement (VER)
 - Flexible retirement
 - Partial retirement (all known as Draw down of pension)Casual/temporary work
 - Ill health (if applicable)
- 5.3. Where applicable managers and employees should refer to the appropriate HR Policy for each category e.g. [Maximising Attendance Policy HR25](#) and guidance is available from the Trust Pension's Department.
- 5.4. Managers should recognise the benefits of offering flexible retirement opportunities to employees and will support requests wherever possible.
- 5.5. Flexible retirement options include:
- Wind Down – working fewer days or hours in the same post
 - Step Down – working in a less demanding and lower graded post
 - Draw Down –This option is now open to members of the 1995 pension scheme. In order to claim this, the members have to have a 10% reduction in their pensionable pay for at least 12 months. For members of the 2008 and 2015 schemes who are over minimum retirement age it may be possible to take between 20 –100% of your pension and continue in employment, building up future benefits.
- 5.6. Where flexible retirement is requested the manager will need to consider the effect on continuity of services and may therefore have to consider alternative posts within the organisation to accommodate this. Employees considering flexible retirement should seek

guidance on the affect this may have on their pension from the Trust Pensions Department in relation to protecting their pensionable pay rate at the higher rate.

- 5.7. If you're aged 55 and over and have agreement from your employer, you can choose to take part, or all of your pension benefits while you continue working in NHS employment and build your pension benefits in the 2015 scheme. This is called partial retirement – it may also be known as drawdown. The pension benefits you take through partial retirement will be paid as a monthly amount. You can take between 20% and 100% of all your pension benefits in one or two drawdown payments, without having to leave your current job. You will need to agree a new working arrangement with your line manager that lets you reduce your pensionable pay by at least 10%. For example, you could change your level of responsibility, work fewer hours, or move to a new role. Further information and a Partial Retirement Calculator is available from the NHS Pensions Agency Website www.nhsbsa.nhs.uk/member-hub/partial retirement

6. Retire and Return

- 6.1. Where an employee wishes to retire and return the manager will need to get this approved through their Managing Partner or Deputy Director. Managers will need to complete the Business Justification Form at Appendix 1. The request to retire and return should demonstrate the principles as set out in paragraph 4.3 above and would normally only be granted for staff within hard to fill posts or where we have a known shortage of these skills.
- 6.2. Employees must make their request in writing, to their line manager and the Pensions team, 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. It is best practice for the employee and manager to discuss the request prior to or at the point of the request being submitted. This conversation helps answer questions and is supportive of resolving any questions that either party have.
- 6.3. If the request is agreed, there must be at least a minimum 24-hour break in pensionable employment to satisfy the requirements of the NHS Pension scheme. The 24-hour break applies to all NHS employment, including secondary employment and including employment with NHSP.
- 6.4. Annual leave being paid at the leaving date needs to be taken into account, as this extends pensionable service. The 24 hour break will need to be taken from that point and not the last working day.
- 6.5. Staff who wish to retire and return who do not fulfil the criteria in 6.1 above can apply for posts through the normal recruitment process.
- 6.6. Where a request is not agreed the employee has the right to appeal this decision to the Director of Workforce. This must be done in writing within 14 days of receipt of the manager's written decision. The Director of Workforce or a nominated deputy who has not been involved in the process will hear the appeal within 21 days of receipt of the letter. At the hearing the employee may be accompanied by a Trade Union Representative or work colleague. The outcome of the appeal will be issued within 7 days of the date of the appeal hearing. There is no further right of appeal.

7. Preparation for Retirement

- 7.1. This Policy recognises the value of supporting employees in the lead up to their retirement. This includes:
- Pre-retirement discussion/meeting with manager
 - [Pre-retirement information](#), which is available on the RDUH intranet.
 - Pensions guidance from Trust Pensions Team 01392 403643 and email address is rduh.pensionsdpt@nhs.net

- NHS Pensions Agency website www.nhsba.nhs.uk or helpline on 0300 330 1346
- NHS Retirement Fellowship information which is available on www.nhsrf.org.uk
- Guidance from The HR Advisory Team / Senior HR Advisor

8. Retirement Process

- 8.1. Staff intending to retire should inform their manager as soon as possible. Whenever possible the employee and manager should meet to discuss the upcoming retirement. Employees need to give at least **6 months' notice** in writing of their intention to retire in order to receive their NHS pensions in good time. Any outstanding annual leave should be taken before the retirement date.

9. Retirement Awards/Certificates

- 9.1. Staff retiring from the Trust who have over 5 years continuous service and are entitled to receive a pension, or who are retiring without a pension at age 60 and above may be entitled to receive a retirement award/certificate.
- 9.2. Details are contained in the Retirement Awards appendix found with this policy

10. Further Advice on Retirement Procedures/Administration

- 10.1. This policy was not intended to outline in any detail all the Pension and Payroll procedures that need to be completed in respect of retirement processes. Managers and employees are encouraged to seek advice from the HR Advisory Team at Wonford House for such details as early as possible in the lead up to retirement. Pensions team can be contacted on 01392 40 3643 rduh.pensionsdpt@nhs.net
- 10.2. Further advice on this Policy may also be sought from the HR Advisory Team or Senior HR Advisor. The HR Advisory Team can be contacted on 01392 67 7076, option 2.

Appendix 1 - Request for Retire and Return – Business Justification

NHSPS rules allow members to take their accrued pension benefits and then ask to return to work for the NHS. The underlying principles of "retire and return" are to:-

- Ensure older staff who have valuable skills, knowledge and experience, can continue working for the benefit of patients;
- Ensure older staff can be supported in prioritising their health and wellbeing at the same time as working longer / staying in work;
- Support staff in making the transition from work to final retirement through, for example, "stepping down" (reducing their level of responsibility) and/or "winding down" (reducing their number of hours worked);
- Demonstrate value for money.

There should be no guarantee that applications from staff to "retire-and-return" will be granted.

Managers will need to complete the form below and ensure that it is authorised by the Managing Partner. The form will then need to be sent to the Recruitment Team as all requests will be monitored centrally to ensure that the policy is being applied fairly and that certain staff groups are not being potentially disadvantaged.

Where requests are granted the employee must terminate their employment in order to receive their pension benefits. 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.

Request for Retire and Return form

Section A – to be completed by the employee

Employee Name..... Date of Birth...../...../.....

Team..... Directorate.....

Under the terms and conditions of the Trust’s Retirement Policy, I would like consideration to be given to my request to retire and return as indicated below:

My preference would be to return on my current working hours/change my working hours (delete as appropriate)

My preferred working hours would be:

My preferred date of change would be:

(This is the date you would terminate your contract with the Trust)

I confirm that I have read and understand the detail contained within the Trust Retirement Policy and have sought financial advice regarding my pension. I understand approval is not guaranteed and need to be considered in light of current staffing and recruitment issues.

Signed..... Date.....
(Employee)

Section B – to be completed by the Manager

I confirm that I support the above request, that, if applicable, the post is eligible for retire and return and that I have completed the justification form to the best of my knowledge. ***(Please forward to your Managing Partner/Deputy Director for approval)***

I am unable to support the above employee’s request to take flexible retirement. This is due to not being in a position to support the individual’s terms of the return and not being able to reach an alternative arrangement that is mutually acceptable, despite consideration having been made. ***(Please return to employee, including a rationale for rejection, and inform them of their right to appeal)***

Signed..... Date.....

Section C – to be completed by Managing Partner/Deputy Director

I hereby authorise the above request and confirm that the post meets the requirement of the retire and return principles.

Signed.....

Date.....

Please return to the Manager

If the employee's request is approved, a copy of this form should be kept on the employee's file and sent to the Pensions Officer in the Payroll Department. The employee still needs to apply for their pension and the manager is responsible for completing the termination form in the normal way.

Please return a copy of this form to the Recruitment Team for monitoring

Retire and Return – Business Justification

Employee Name:.....

Employee Number.....

Team.....

Directorate.....

Post.....

Start date.....

Current Hours per week.....

Current Grade.....

Are there any proposed changes to hours or grade as a result of the retirement? YES/NO*

If yes what are the new arrangements?.....

Has there been any other similar request made within the department / work area that may influence or have a bearing on this request (for fairness and consistency)? YES/NO*

What would be the plan for the shortfall in hours' that approval would create? (backfill like for like, not replace).

.....

Do you foresee any problems in recruiting to backfill, if that is the plan (i.e. will the number of hours be attractive)? YES/NO*

Is this a post that is hard to fill or where there are known national shortages? YES/NO*

Please provide justification for retirement and return request in the box below. This should include the following; value for money, skills this person has that need to be retained, if the hours/grade have changed - can be accommodated, impact on the rest of the team, why it is in the best interests of the service and how this fits with the longer term workforce plans.

Is the employee's attendance and conduct satisfactory? YES/NO*

**please delete as appropriate*