

Retirement: Retirement Awards Guidance

1. Introduction

- 1.1. This procedure applies to all employees of the Trust with the exception of bank staff.
- 1.2. The Procedure will apply equally to any employees transferred over to the Trust under TUPE regulations and replaces any retirement awards offered with a previous employing authority.

2. Purpose

- 2.1. To ensure that all employees who have completed 5 or more consecutive years of service within the NHS (and in certain cases, Local Authorities pre 1974) without a break of 3 months or more, upon retirement from the Trust, receive a retirement award/gift and certificate in recognition of their contribution to the service.
- 2.2. All employees with less than 5 years service retiring from the Trust to be awarded a certificate of retirement that acknowledges their contribution to the service.

3. General Principles

- 3.1. Provided that the provisions under sub-paragraph 2.1 are complied with, the value of the award shall be £150.
- 3.2. In accordance with the Inland Revenue Regulations, all awards including gifts or gift vouchers are liable to Income Tax and National Insurance Contributions for staff with less than 20 years service.
- 3.3. To avoid taxation on awards made to staff with 20 years or more service, retirement awards will normally be taken in the form of a gift. For all other staff awards will normally be made through the Payroll.
- 3.4. Individual staff may add their own contributions to those provided if they wish to have a gift of greater value than the sum awarded.
- 3.5. Staff wishing to donate their retirement award to a charity must ensure that they complete and sign the mandate for the GAYE (Give as you Earn) deduction prior to the gift being made to the charity. It will be paid through Payroll and is subject to HMRC deductions. However, payments to GAYE receive a tax benefit in accordance with the normal GAYE payments.
- 3.6. Retirement awards will be funded from local revenue budgets.
- 3.7. Eligibility for retirement awards is as follows:
 - 3.7.1. Staff retiring from the Trust who have at least 5 years continuous NHS service and have not received any previous award; and who are entitled to receive a pension at the point that they retire from the Trust including retirements due to ill health, or redundancy are entitled to receive an award in accordance with this Procedure.

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3.7.2. Staff who have taken retirement with a pension but subsequently return to work within the NHS and who have not received any previous award should still receive the award for the period up until the date they retire from their substantive employment with the Trust. They will not however have this period of service counted again for any future award.

4. Procedures

- 4.1. The Workforce Development Team have overall responsibility for administering and monitoring awards on behalf of the Trust including medical staffing. They will liaise with Finance and Payroll to ensure that appropriate procedures are in place to satisfy Inland Revenue requirements and any internal financial regulations/procedures in the Trust.
- 4.2. When the line manager, or local manager acting under their authority, learns of the impending retirement of a member of their staff, they should confirm with the Workforce Development Team details of the actual date of retirement and investigate with them whether the individual concerned is eligible for a retirement award.
- 4.3. Workforce Development will send application for award certificate form when they have received confirmation of the employee's retirement.
- 4.4. In following the above procedures, managers should ensure that for staff with under 20 years service entitled to receive an award through Payroll, they indicate clearly the amount of the award and the budget code/centre to be charged. For staff with 20 years or more service, managers are responsible for organising the purchase of a gift in accordance with the wishes of the member of staff. Managers are responsible for following the Financial Regulations and procedures of the Trust and will need to produce any receipt relating to expenditure on a gift as required.
- 4.5. Where a gift/s purchased totals less than £150 then the remainder of the balance can be paid via the Payroll but will then be subject to normal tax and NI deductions. Managers will need to authorise any balance to be paid in accordance with the procedures and instructions from Workforce Development.
- 4.6. If the award is to be donated to a charity then the mandate for the GAYE (Give as you Earn) deduction must be attached to the retirement award application form. The gift would be subject to HMRC deductions and paid via payroll, although payments to GAYE would receive a tax benefit in accordance with the normal GAYE payments.
- 4.7. Workforce Development will make arrangements for retirement certificates to be produced and these will normally be sent to the manager to arrange an appropriate presentation of the certificate and, where appropriate, gift to the member of staff. In so doing managers should ascertain the member of staff's wishes with regard Workforce Development Services send the certificate directly to the employee. Processing of retirement awards/certificates can take up to 8 weeks.