



Retirement Policy

Contents

1	Aims and Objectives	2
2	Scope.....	2
3	Principles	2
4	Responsibilities	2
5	Pre-Retirement Planning.....	3
6	NHS Pension Schemes	5
8	Draw Down (Partial Retirement).....	6
9	Retire and Return	7
10	Pre-retirement Wind Down (within existing post).....	8
11	Pre- Retirement Step Down	8
13	Ill Health Retirement.....	9
14	Financial Checkpoint	10
15	Monitoring Compliance.....	10
16	Audit and Review (evaluating effectiveness)	10
18	References	11
	Appendix 1	12

1 Aims and Objectives

- 1.1. This policy is designed to assist colleagues who are considering or have taken the decision to retire (whether this be full retirement or flexible retirement) and outlines the options available and support that can be expected. The policy provides:
- Guidance for Line Managers and colleagues in relation to retirement and flexible retirement options.
 - It ensures that both Line Managers and colleagues are aware of the different retirement and flexible retirement options within the NHS Pension Scheme and any associated arrangements.
 - It ensures that there is a consistent approach to retirement and requests for flexible retirement across the Trust.
- 1.2 The policy provides a summary of information provided at national level by the NHS Pension Scheme. Individuals should liaise with NHS Pensions or the Trusts Pension Officer 278pensions@uhb.nhs.uk, in relation to their specific circumstances.

2 Scope

- 2.1 This policy is applicable to all employees of the Trust.

3 Principles

- 3.1 There is no default upper retirement age after the State Pension Age and so colleagues can choose to retire at whatever time suits their circumstances best.
- 3.2. The Trust is proud to employ people of all ages and considers that age diversity is beneficial to the Trust. The Trust will not make generalised assumptions that performance will decline with age. If we think there are concerns with your performance or ill-health, these will be managed and supported through the Supporting Performance Improvement (Capability) Policy or Managing Health and Attendance Policy, as appropriate.

4 Responsibilities

- 4.1 **Colleagues** have a responsibility to:
- Request retirement options in accordance this policy.
 - Meet with their Line Manager to discuss retirement options.
 - Complete and submit the relevant documentation required to process an application for pension benefits at least 4 months prior to planned retirement date.
 - Be aware of the potential impact on their pension and are strongly encouraged to seek independent advice and information during the

planning period and before deciding regarding retirement.

4.2 **Managers** have a responsibility to:

- Ensure that this policy is applied fairly and consistently to all colleagues.
- To have discussions in line with the guidance in the policy with colleagues concerning retirement
- Complete all necessary retirement and leaver forms.
- Seek guidance from the Human Resources Team where necessary.

4.3. **Human Resources** have a responsibility to:

- To provide support for Line Managers in dealing with the management of retirement.
- To provide support in the application of the policy to individual cases, where regulations allow.

5 **Pre-Retirement Planning**

5.1. There is no set contractual date on which an individual is obliged to retire. The normal retirement age will often, although not necessarily, be linked to the age the colleague receives their state pension or the date under the NHS Pension Scheme when the individual's pension benefits become due, on age grounds. Normal pension age is the age that you can retire from NHS employment and have your pension paid without any reductions.

5.2. If a colleague in the 2008 or 2015 scheme chooses to delay their retirement until after their normal retirement age, their pension will be increased as the NHS Pensions Agency will apply a late retirement factor to the pension. Late retirement factors do not apply to members of the 1995 Section. More information can be found at [NHS Pensions | NHSBSA](#)

5.3 **Voluntary Early Retirement (VER)** involves the reduction of benefits which would otherwise be paid at the normal retirement age since they are being taken early (see Table 1). A colleague may opt to take VER at any time from the minimum pension age applicable to the scheme they are, or have been, a member of provided they have at least 2 years membership.

5.4 Flexible Retirement provides flexibility regarding the age at which an employee retires and accesses their pension benefits, the length of time it takes to retire and the nature and intensity of work in the lead up to final retirement. It assists the Trust by retaining the skills of colleagues who are approaching or are at retirement age and provides a greater choice for colleagues.

1. [Draw Down \(Partial Retirement\)](#)
2. [Retire and Return](#)
3. [Wind Down](#)

4. Step Down

- 5.5 Colleagues wishing to fully retire from work must resign from their employment, giving the appropriate contractual notice. They will be expected to take all accrued annual leave prior to their leaving date. If this is not done correctly this may result in the employee's pension and lump sum being paid incorrectly and could change the retirement date. Alternatively, this may be agreed as payment in lieu of notice (this one-off payment is not pensionable) prior to the retirement date.
- 5.6 When considering retirement options colleagues should bear in mind the potential impact on their pay and/ or pension. Information of pre-retirement courses is available on The Zone [Pensions \(sharepoint.com\)](#).
- 5.7 In line with regulations, the Trust and its pension providers can provide information in relation to pensions (through NHS Pensions at www.nhsbsa.nhs.uk/nhs-pensions or the Trust's Pensions Officer at 278pensions@uhb.nhs.uk), but cannot provide advice. If colleagues need pension's advice, they are strongly encouraged to seek information from an Independent Financial Advisor. [Useful information | NHSBSA](#)
- 5.8 Colleagues may request a forecast of their pension through the NHS Total Rewards Statement <https://www.totalrewardstatements.nhs.uk/> or ESR Self Service. Final figures will be calculated by NHS Pensions.
- 5.9 Colleagues considering retirement, particularly flexible retirement, should discuss their plans initially with their Line Manager at an early stage, to allow for planning.
- 5.10 **Colleagues should note that NHS Pensions require a minimum 4 months' notice of any request for payment of pension benefits.** Colleagues may experience unforeseen delays from NHS Pensions and should financially forecast for such events.
- 5.11 Colleagues considering full retirement or retire and return must plan and take outstanding accrued annual leave prior to commencing their retirement option. (If this is not done correctly this may result in the employee's pension and lump sum being paid incorrectly and could change the date an employee can work in the NHS).
- 5.12 Members of the 2015 Section can pay additional contributions (Early Retirement Reduction Buy Out) to buy out or reduce the actuarial reduction that would be applied if they were to retire before their normal retirement age. This must be agreed within three months of joining the 2015 section of the NHS Pension scheme or the beginning of the Scheme year, whichever is earlier. An application received at a later date will be effective from the beginning of the next Scheme year. Further information can be obtained from [Early Retirement Reduction Buy Out \(ERRBO\)](#).
- 5.13 For information on retirement gifts please refer to Appendix 1

- 5.14 The NHS Retirement Fellowship provides a bridge between life in employment and new opportunities in retirement. For further details on joining the fellowship please go to: www.nhsrf.org.uk

6 NHS Pension Schemes

- 6.1 The NHS Pensions Agency currently has three pension schemes:

- 1995 Section (closed to new entrants)
- 2008 Section (closed to new entrants)
- 2015 Scheme

This means an individuals' NHS Pension could consist of up to three different parts. Colleagues should refer to their Total Rewards Statement for further information.

- 6.2 From 1 April 2022, all active members, including those in the 1995/2008 Scheme, automatically moved and started building up benefits in the 2015 NHS Pension Scheme. For further information visit [Your NHS Pension after 1 April 2022 | NHSBSA](#).
- 6.3 The age at which an individual is entitled to retire and draw their NHS pension will be dependent upon which section of the NHS Pension Scheme they are in (Table 1).

Table 1

Scheme:	1995	2008	2015
Normal Retirement Age:	60	65	State pension age
Minimum Early Retirement age:	55 (50 for members who joined before 06/04/2006)	55	55

*(55 for special class status / [NHS Pensions factsheet template V1 \(nhsbsa.nhs.uk\)](#)

**mental health officer status) [NHS Pensions factsheet template V1 \(nhsbsa.nhs.uk\)](#)

7 Procedure for Retirement Options

- 7.1 In the first instance a colleague wishing to apply for any of the flexible retirement options should discuss this with their Line Manager to reach an agreement about how they will be applied on an individual basis in line with this guidance and the appropriate process.

- 7.2 Following initial discussions, the Pensions Officer 278pensions@uhb.nhs.uk should be contacted to verify current details of a member's contributions, to obtain information of the financial implications for a flexible option and to obtain the relevant NHS Pension forms.

1. To current job role

- If the colleague decides to apply for flexible retirement within their current role, they should submit a [Retirement - Flexible Retirement Application Form.docx \(sharepoint.com\)](#) which will be considered in line with the Trusts Flexible Working Policy, to try and reach a solution that would meet the needs of the individual and ensure service requirements are maintained. (See Appendices)
- Colleagues will need to complete appropriate NHS Pension form(s) and send to the Pension Officer 278pensions@uhb.nhs.uk. Colleagues should note that NHS Pensions require a minimum 4 months' notice of any request for payment of pension benefits.
- If there is a reduction in working hours the colleague will be paid pro rata to hours worked.

2. To alternative job role

- If the colleagues decides that they wish to change roles, they should secure an alternative role via the normal recruitment process. For job roles within the same job family the recruitment process will be activated by the submission of the [Retirement - Flexible Retirement Application Form.docx \(sharepoint.com\)](#).
- Colleagues will need to complete appropriate NHS Pension form(s) and send to the Pension Officer 278pensions@uhb.nhs.uk. Colleagues should note that NHS Pensions require a minimum 4 months' notice of any request for payment of pension benefits.
- As a new contract of employment will be issued the colleague will be paid the appropriate rate for that post. Annex 5 to Section 2 Unsocial Hours rules will apply. If there is a reduction in working hours, the colleague will be paid pro rata.

8 Draw Down (Partial Retirement)

- 8.1 This means that colleagues can continue working while benefitting from being able to partially draw down their pension benefits and supplement their income. Colleagues can do this without having to leave their current job and continue to contribute to their NHS pension in the 2015 scheme. Full details of the Drawn Down Scheme are available at <https://www.nhsbsa.nhs.uk/member-hub/partial-retirement> (including information for those affected by the McCloud Ruling).

- 8.2 Colleagues have the option to take between 20% and 100% of their pension benefits in one or two drawdown payments (members of the 1995 scheme who are eligible for early retirement at age 50 years, must take 100% of their 1995 scheme benefits).

To be eligible for draw down members must:

- Have reached their minimum retirement age
- be an active member of the scheme
- reduce their actual pensionable pay by at least 10%
- have had the previous level of pensionable pay for at least 12 months
- maintain the new level of pensionable pay for last at least 12 months otherwise eligibility to a pension will cease
- not have already drawn down on two occasions

- 8.3 If you're applying to take partial retirement before you reach your normal pension age, your pension benefits will be reduced as they are being paid early. Your normal pension age depends on which part of the Scheme you are a member of.

- 8.4 When you choose to take partial retirement, your chosen percentage is applied sequentially across all your benefits in the NHS Pension Scheme. This means you effectively take or use up your 1995/2008 Scheme benefits first, before you can take any of your 2015 Scheme benefits. Benefits can be drawn down twice before final retirement.

9 Retire and Return

- 9.1 Individuals can request to retire and then return, whilst claiming their full NHS pension benefits. Unlike other flexible retirement options, retire and return is classed as a termination of employment. The colleague must take a break in NHS employment of a minimum of 7 days (measured Sunday to Saturday), this includes moving to a bank agreement, and includes the minimum 24-hour break in pensionable employment to satisfy the requirements of the NHS Pension scheme. Should the colleague have more than one concurrent NHS post, they must leave all existing NHS contracts for the minimum period. During the break in service, colleagues must not be in receipt of paid annual leave.
- 9.2 This break in service means that upon re-employment to the NHS a colleague 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 previously accrued entitlements to occupational sick pay and contractual annual leave as detailed in the Agenda for Change Terms and Conditions.
- 9.3 Should individuals not wish to take a break in service, then the Draw Down option may be more suitable.

- 9.4 If the member retires from either the 1995, 2008 or the 2015 scheme, they can re-join the NHS Pension 2015 Scheme, providing they are under the age of 75 years.
- 9.5 Colleagues who retire and return are in effect new starters within the Trust as they are being re-employed as a new employee (or engaged under a Bank Agreement, as applicable) following a break in service. The previous ESR record will be used to rehire the colleague as part of this process and the Recruitment Team will liaise with the HR Service Centre. It is a condition of the retire and return process that all employment checks and where relevant to the post DBS checks (Disclosure Barring Services Check) are cleared and updated in ESR prior to official retirement date. Failure to ensure this may result in a delay with the start date.
- 9.6 Colleagues who are in receipt of any pay protection will lose that protection on their return to work. As a new contract of employment will be issued, Annex 5 to Section 2 Unsocial Hours rules will apply. Lease car arrangements will cease, colleagues may be liable for any early termination charges.

10 Pre-retirement Wind Down (within existing post)

- 10.1 Colleagues can request to remain in their current post but reduce the number of hours or days they work.
- 10.2 If a reduction in hours is agreed, the colleague will receive pay and entitlements pro rata to the hours worked. If working part time, the rate at which the pension is built up will be affected.

11 Pre- Retirement Step Down

- 11.1 Colleagues can apply to 'step down' to a different role via the normal recruitment process, while remaining in NHS employment. Due to the different provisions of the three pension schemes, there will be a different impact on final pension benefits so guidance should be sought from the Pensions Officer before considering this option.
- 11.2 For members of 1995 or 2008 Sections of the NHS Pension scheme, where pay is reduced by 10% or more, they may consider Voluntary Pension Protection. Colleagues should contact the Pensions Officer for SECAMB at 278pensions@uhb.nhs.uk for further information and to check eligibility.
- 11.3 The protection application must be made (directly to NHS Pensions) after 12 months but within 15 months of the date the rate of pay is reduced. Pension protection does not apply for members of the 2015 Scheme, as this is a career average and not a final salary Scheme. When the colleague leaves, their pension up to the date they stepped down will be based on the higher rate of pay, and their pension earned after the stepdown date will be based on the reduced rate of pay. Cost of living increases will be applied to the protected higher rate of pay and both pensions will be added together for payment.

12. Redundancy and Early Retirement

- 12.1. Redundant employees who have reached the minimum pension age and are members of the NHS pension scheme can, if they wish, take their pension early.
- 12.2. The payment will be met from the lump sum redundancy payment that the employee would have received but in cases where the cost to the Trust of paying the single payment is less than the value of the redundancy payment, the employee will also receive any balance due. However, if the cost of early retirement is more than the redundancy payment due, the colleague will have the one-off option to make up all or part of the difference out of their own personal funds.
- 12.3. Colleagues should refer to Section 16 Agenda for Change [NHS Terms and Conditions of Service Handbook | NHS Employers](#) and [NHS Pensions factsheet template V1 \(nhsbsa.nhs.uk\)](#)

13 Ill Health Retirement

- 13.1. Colleagues and Line Managers should refer to the [Managing Health and Attendance Policy & Procedure](#) when a colleague becomes incapable of carrying out their duties on a permanent basis, and no reasonable adjustments can be made, or suitable alternative employment secured. The colleague may wish to apply to NHS Pensions for retirement on the grounds of ill-health (the Trust cannot apply for ill health retirement on behalf of the individual but can assist individuals in their application process).

To be considered for ill health retirement a colleague of any age, must have both of the following:

- At least two years' membership of the NHS Pension Scheme
 - Support for ill health retirement from the Trusts Occupational Health Provider
- 13.2. If an application for ill-health retirement is made, via the Retirement Notification Form, this constitutes a mutual decision that the colleague is unable to fulfil their contractual obligations due to their ill-health condition and therefore a termination date will be agreed between the individual and the Trust.
 - 13.3. There are two tiers of ill health retirement and the benefits a colleague receives will depend on whether they are capable of undertaking employment elsewhere. The minimum pension age does not apply in the case of ill health retirement.
 - 13.4. Where ill-health retirement is identified as an option, the colleague will be provided with an estimate of pension benefits via the Trusts

Pensions Officer. The application must be made on the appropriate NHS Pension forms.

- 13.5 Medical Advisers, appointed by NHS Pensions, will assess the available medical evidence, and will confirm whether the employee is permanently incapable of carrying out either their present NHS duties or any regular work. A Tier 1 or enhanced Tier 2 pension may be paid dependent upon this decision. [NHS Pensions - Ill health retirement tiers and FAQs](#).
- 13.6 Line Managers should refer the employee to Occupational Health without delay in all cases where an individual employee is suffering either from a physical or mental ill health condition that means they are incapable of carrying out their full duties to the required standard either permanently or for some considerable time, or from a declining physical or mental health condition that they are becoming incapable of meeting the requirements of their job. Line Managers should liaise with their HR Advisor, who will advise on any implications and responsibilities under the Equality Act 2010 and the best way forward in individual cases.

14 Financial Checkpoint

- 14.1 This document has been confirmed by Finance to have no unbudgeted financial implications.

15 Monitoring Compliance

- 15.1 The HR Working Group is responsible for monitoring compliance with this policy (i.e., checking that it is being followed for the relevant employees).
- 15.2 Monitoring will be through the HR Service Centre when dealing with retirements.

16 Audit and Review (evaluating effectiveness)

- 16.1 All policies have their effectiveness audited by the responsible Management Group, HR SLT, at regular intervals, and initially six months after a new policy is approved and disseminated.
- 16.2 Effectiveness will be reviewed using the tools set out in the Trust's Policy and Procedure for the Development and Management of Trust Policies and Procedures (also known as the Policy on Policies).
- 16.3 This document will be reviewed in its entirety every three years or sooner if new legislation, codes of practice or national standards are introduced, or if feedback from employees indicates that the policy is not working effectively.
- 16.4 All changes made to this policy will go through the governance route for development and approval as set out in the Policy on Policies.

18 References

- [Agenda for change | NHS Employers](#)
- [NHS Pensions | NHSBSA](#)
- www.totalrewardstatements.nhs.uk
- [Workplace Pension Scheme | Nest Pensions](#)
- www.nhsrf.org.uk

Appendix 1

Retirement Gifts

All retiring colleagues receive a SECamb shield with the dates of NHS service and certificate from the Chief Executive Officer and the Chairman. [Retirement - Notification of Retirement to Chief Executive.dotx \(sharepoint.com\)](#)

Retirees are entitled to gift vouchers, dependant on full years of length of service:

• 05 – 10 Years' Service	£25
• 10 – 15 Years' Service	£50
• 15 – 20 Years' Service	£100
• 20 – 25 Years' Service	£125
• Over 25 Years' Service	£150

In addition to the vouchers above, colleagues can choose between a £50 donation towards a retirement luncheon or £75 donation to a charity of their choice. [Retirement - Application Long Service Luncheon.dotx \(sharepoint.com\)](#)

Colleagues with a minimum of 10 years reckonable service within the NHS are entitled to either a cut glass vase or decanter.

The requesting Manager will be responsible for collection and distribution of gifts.