**Name of Policy:** Retirement Arrangements Policy

**Effective From:** 23/08/2018

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>14/06/2016</td>
<td>Date Ratified</td>
</tr>
<tr>
<td></td>
<td>Ratified</td>
</tr>
<tr>
<td>01/06/2018</td>
<td>Review Date</td>
</tr>
<tr>
<td></td>
<td>Sponsor</td>
</tr>
<tr>
<td>13/06/2019</td>
<td>Expiry Date</td>
</tr>
</tbody>
</table>

Unless this copy has been taken directly from the Trust intranet site (Pandora) there is no assurance that this is the most up to date version.

This policy supersedes all previous issues.
## Version Control

<table>
<thead>
<tr>
<th>Version</th>
<th>Release</th>
<th>Author/Reviewer</th>
<th>Ratified by/Authorised by</th>
<th>Date</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>July 2006</td>
<td></td>
<td>JCC</td>
<td>July 2006</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>TPF</td>
<td>July 2006</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Board of Directors</td>
<td>Sept 2006</td>
<td></td>
</tr>
<tr>
<td>2.0</td>
<td>Aug 2011</td>
<td>Coleen Knox</td>
<td>HR Committee</td>
<td>01/08/2011</td>
<td></td>
</tr>
<tr>
<td>3.0</td>
<td>23/10/2012</td>
<td>C Knox</td>
<td>HR Committee</td>
<td>01/10/2012</td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>19/06/2014</td>
<td>C Knox</td>
<td>Y Ormston</td>
<td>17/06/2014</td>
<td>Flexible working amendments - Children and Families Act 2014</td>
</tr>
<tr>
<td>4.0</td>
<td>23/08/2016</td>
<td>N Botto &amp; Steven</td>
<td>HR Committee</td>
<td>14/06/2016</td>
<td>Updated to reflect most up-to-date pensions information. Revised</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Scott</td>
<td></td>
<td></td>
<td>application and management response form.</td>
</tr>
<tr>
<td>Section</td>
<td>Contents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>----------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Introduction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Policy Scope</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Aim of Policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Duties (roles and responsibilities)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Definitions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>NHS Pension Scheme Arrangements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.1</td>
<td>General Retirement Principles</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2</td>
<td>Types of Retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2.1</td>
<td>Age Retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2.2</td>
<td>Voluntary Early Retirement (VER)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2.3</td>
<td>Interest of Efficiency of Service (IOE)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2.4</td>
<td>Early Retirement on Grounds of Redundancy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2.5</td>
<td>Ill Health Retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2.6</td>
<td>Flexible Retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2.6.1</td>
<td>Pre-retirement wind down</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2.6.2</td>
<td>Pre-retirement step down</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2.6.3</td>
<td>Retire and return</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2.6.4</td>
<td>Draw down – partial retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2.6.5</td>
<td>Late Retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2.6.6</td>
<td>Re-joining the scheme after retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2.6.7</td>
<td>Early Retirement and Reduced Buy Out</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.3</td>
<td>Retirement Considerations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.4</td>
<td>Procedure When Considering Retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.4.1</td>
<td>Procedure when considering age retirement and voluntary early retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.4.2</td>
<td>Procedure when considering flexible retirement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.5</td>
<td>Appeals Procedure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.6</td>
<td>Information about Fixed Term Contracts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Training</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Equality &amp; Diversity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Monitoring compliance with policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Consultation and review</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Implementation of policy (including raising awareness)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>References</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Associated documentation (policies)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Appendices**

- Appendix 1 Flow Chart – Flexible Retirement Application Process
- Appendix 2 Flexible Retirement Application Form
- Appendix 3 Flexible Retirement Application Response Form
1 Introduction

1.1 The Trust is committed to workforce development and planning future workforce requirements. As a part of this, managers need to consider the impact retirement will have on the skills and knowledge available within the service. There should be planning in place to ensure that skills and knowledge are shared in a timely manner to minimise the effect of retirement.

1.2 This policy sets out guidance for Managers and staff in relation to the NHS Pension Scheme and the introduction of New Pension Schemes.

1.3 This policy also sets out the various options for staff as they approach retirement and the role of managers in these processes.

2 Policy scope

2.1 This policy details retirement arrangements applicable to all members of staff employed by the Trust. It also gives details relevant for members of the NHS Pension Scheme.

3 Aim of policy

3.1 This policy aims to act as a guide to managers and staff to understand the retirement process and what retirement arrangements may be considered so that they can:
   - Identify options;
   - Consider the implications for the department and service;
   - Plan ahead.

3.2 This policy is also intended to support preparation for the transition of employees from work to retirement to enable staff to balance their work with their home lives when they retire or plan to flex their retirement and ensure that services can continue to be provided to a high quality.

4 Duties (roles and responsibilities)

4.1 Trust Board

The Trust Board is responsible for ensuring that a robust system and process for staff applying to retire from work or to flex retirement is established in support of the organisation’s commitment to be a good employer.

4.2 The Director with responsibility for Finance and Information

The Director is ultimately responsible for ensuring effective systems are in place to support staff in making applications for retirement benefits from the NHS Pensions Agency and providing accurate pensions information to allow staff to make informed decisions.

4.3 The Director with responsibility for Human Resources

The Director is ultimately responsible for ensuring effective systems are in place to support staff to retire from work or flex retirement and to support managers in planning for future service delivery.
4.4 Payroll Department

The Pensions Officer along with appropriate Payroll staff will be responsible for providing:

- Information to managers;
- Quotes and retirement packs to staff;
- Processing retirement applications for submission to the NHS Pensions.

By law, Pensions Officers may not offer financial advice to scheme members.

Therefore, while they have a duty to provide information about the scheme and the options available, they may not advise staff.

4.5 HR Department

The HR Department will be responsible for providing support and advice to managers and staff on the practical operation of this policy. The HR Department will also work with the Payroll department to process changes to payments as necessary. Amendments to contracted documentation will be produced for employees when applications are agreed.

4.6 Managers

Managers are responsible for ensuring policy implementation and compliance within their area(s). They will also ensure that appropriate consideration is given to employees requesting flexible retirement within the scope of this policy.

4.7 Staff

All members of staff who wish to draw upon their NHS pension, are responsible for informing the Pension Officer in writing or by email to pensions@ghnt.nhs.uk of their intent to retire, completing and returning the relevant application forms in a timely manner to the Payroll Department.

Staff who are considering retirement or flexible retirement options should adhere to the processes detailed in this policy.

5 Definitions

5.1 Retirement - when a staff member chooses to cease work on a permanent basis.

5.2 Retirement age - the age at which a staff member chooses to retire from work. The Trust does not have a set retirement age and there is no statutory default retirement age.

5.3 Pension age - the age at which a staff member can draw their pension. This will depend upon the particular NHS scheme section they belong to. This will not necessarily coincide with their retirement age (i.e. the date they retire).

5.4 State pension age - the earliest age at which an individual can claim a state pension (subject to qualifying conditions).

5.5 Flexible retirement - flexibility regarding the age at which a staff member retires, the length of time a staff member takes to retire or the nature and intensity of work in the lead up to final retirement.
5.6 **Special class status** - is applicable to members of the 1995 section of the NHS Pension Scheme who work as a Nurse, Midwife, Physiotherapist or Health Visitor or Mental Health Officer (MHO). Qualification is dependent on an individual having been awarded special class status on or before 6 March 1995 and at no time following having had a break in pensionable employment of five years or more. Members must also have special class status at retirement and must have had this status for five years leading up to retirement.

5.7 **Mental Health Officers (MHO)** – is applicable to members of the 1995 section of the NHS Pension Scheme who meet eligibility. MHO is granted to those members who spend either the whole or almost the whole of their time in direct care and treatment of mentally ill patients. (Please note work in the community can also qualify for MHO status) and also have been granted MHO status on or before 6 March 1995 and not had a break in pensionable membership of any one period of 5 years or more.

6 NHS Pension Scheme

6.1 General Retirement Principles

6.1.1 This section is intended to give brief details about the NHS Pension Scheme. As the scheme is subject to change, the information given may alter with time. Managers and staff should therefore contact the Trust’s Pensions Officer based in the Payroll Department and/or refer to the NHS Pensions website [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions) to ensure they obtain the most recent information of the section(s) of the Pension Scheme of which they are a member.

6.1.2 When considering retirement options staff should bear in mind the potential impact on their pension. They are strongly encouraged to seek information from the Trust’s Pensions Officer and advice from an Independent Financial Advisor during the planning period and before making a decision.

6.1.3 The key retirement principles are as follows.

- The Trust does not operate a compulsory retirement age.

- Age related criteria, however, will apply in relation to NHS Pension benefits.

- The **normal** pension ages for members of the NHS Pension Scheme are:
  - age 55 – special classes and MHO under the 1995 section
  - age 60 - under the 1995 section
  - age 65 - under the 2008 section
  - state pension age - under the 2015 scheme.

- The **minimum** retirement ages for members of the NHS Pension Scheme are:
  - age 50 - under the 1995 section, except for staff who joined or returned to the scheme after 6 April 2006 for whom the retirement is age 55
  - age 55 - under the 2008 section and 2015 scheme.

- If early retirement is taken, benefits will be at a reduced level. This is because they are being paid earlier and for longer than expected.
• Under the 1995 section of the scheme, members of special classes (please see section 5 for definition) may choose to retire at any time from age 55 provided they meet the relevant criteria. Benefits are not reduced in these circumstances.

• Staff should bear in mind that NHS Pensions require at least four months’ notice of any payments required.

6.2 Types of Retirement

6.2.1 Age Retirement

The normal pension ages for members of the NHS Pension Scheme to allow an individual to release their full benefits is:

- age 55 - special classes and MHOs under the 1995 Section
- age 60 - under the 1995 section
- age 65 - under the 2008 section
- state pension age - under the 2015 scheme.

The procedure to be followed when considering age retirement can be found in section 6.4.1.

6.2.2 Voluntary Early Retirement (VER)

Staff who are members of the NHS Pension scheme may opt to take VER at any time from the minimum pension age applicable to the section/scheme they are in, or have been a member of, provided they have at least two years’ membership. The minimum retirement age is 50* for members of the 1995 section and 55 for members of the 2008 section and 2015 scheme.

* For staff who joined the NHS Pension Scheme - 1995 section for the first time on or after 6 April 2006, or previously left the scheme before 31 March 2000 who deferred benefits and re-joined on or after 6 April 2006, the minimum retirement age is 55.

The procedure when considering voluntary early retirement can be found in section 6.4.1.

6.2.3 Interests of Efficiency of Service (IOE)

In exceptional circumstances the Trust may seek the early retirement of individual members of staff in the interest of the efficiency of the service.

These arrangements are aimed at employees who have given valuable NHS service in the past but are no longer capable of doing so. This might be because of new or expanded duties or a decline in the ability to perform existing duties efficiently but not so as to qualify them for ill health retirement. Employers would be expected to consider alternatives before agreeing to early retirement, including reasonable adjustments to an existing role or potential suitable alternatives.

The relevant NHS pension scheme certifies the grounds on which early retirement is taking place. The scheme does so on the basis of the information provided by the Trust.
The decision to authorise early retirement in the interests of the efficiency of the service remains a management prerogative, which will occur only in certain very specific circumstances and in all instances, must be supported and agreed by the Trust Board.

In agreeing to retirement in the interests of the service, the Trust undertakes to pay the costs of paying the pension and lump sum early, without a reduction in benefits.

6.2.4  Early retirement on grounds of redundancy

The provisions of section 16(a) of the NHS terms and Conditions will apply to staff members retiring early on the grounds of redundancy.

Members of the NHS Pension Scheme who retire early on grounds of redundancy may choose to retire early without reduction in the value of pension benefits** as an alternative to receiving the full lump sum benefit if they fulfil the following qualifying conditions:

- have at least two years continuous service and two years qualifying membership
- have reached the minimum pension age

** pension benefits may be reduced should the employer costs exceed the redundancy payment due.

The decision to authorise early retirement on the grounds of redundancy remains a management prerogative, which will occur only in certain very specific circumstances and in all instances, must be supported and agreed by the Trust Board.

This option should not be used, where an employee’s conduct is in question. In these circumstances, advice should be sought from the HR Department. In the event of a reduction in the workforce being necessary the Trust will attempt as far as practicable to avoid redundancies. In circumstances where this cannot be avoided, redundancy/premature retirement arrangements will apply as detailed in the Trust’s Redundancy and Associated Redeployment Policy (PP04).

6.2.5  Ill health retirement

Staff may wish to apply to NHS Pensions for retirement on the grounds of ill health if they become incapable of carrying out their duties on a permanent basis and no further reasonable adjustments can be made or suitable alternative employment secured. The employee would require more than two years member in the scheme.

In such circumstances a recommendation from the Occupational Health physician must be received by the Service Line Manager/Head of Service, confirming that the member of staff is medically unfit and unable to return to their post.

There are two tiers of ill health retirement and the benefits the employee will get will depend on whether or not they are capable of undertaking employment elsewhere.

- Tier 1 – When an employee becomes permanently incapable of performing their current job role due to ill health.
- Tier 2 – When an employee’s illness makes them permanently incapable of doing any regular work due to permanent ill health.
More information on ill health retirement can be obtained from the NHS Pensions website or the Trust’s Pension Officer.

It is important to remember that although a recommendation to retire on the grounds of ill health may be agreed between Occupational Health or the individual’s Consultant/GP, the Service Line Manager/Head of Service and a member of staff, there is no automatic right for the early payment of a pension. A decision to approve or decline payment for an application for ill health retirement rests solely with the NHS Pensions Agency and not with the Trust.

6.2.6 Flexible Retirement

The Trust recognises the business case and benefits of offering staff, subject to the needs of the service, the opportunity of taking flexible retirement. Experienced staff often have a great deal to offer the Trust later in their careers, particularly in terms of knowledge and skills, and flexible retirement can provide time for succession planning to ensure continuity of Trust services. It also provides a greater choice for staff.

Flexible retirement options are open to all staff. Each request will be considered on its merits taking into consideration the job role; the effect on the operation of the department and service delivery, including the workforce planning issues facing the department and Trust at the time; whether there are members of staff within the Department, Business Unit or Trust whose posts are at risk who could be considered for all or part of the work; (where applicable) the precise provisions of the pension sections/scheme of which they are a member, (sections 1995, 2008 or 2015 scheme); and the needs of the service (including any opportunities that arise for service improvement and development).

There may be circumstances when a request cannot be supported and the Trust reserves the right to refuse a request for flexible retirement.

There are a range of flexible retirement options available within the NHS Pensions Scheme and these include:

1. Pre-retirement wind down (a reduction in working hours)
2. Pre-retirement step down (to a less demanding role)
3. Retire and return:
   - to the same post on reduced hours
   - to a different post
   - to a bank post
4. Draw down – partial retirement (2008 section and 2015 scheme only)
5. Late retirement (2008 section and 2015 scheme only)
6. Re-joining the scheme after retirement (2008 section and 2015 scheme only)
7. Early retirement and reduced buy out (2015 scheme only)

More detail about each option is given below but, in all cases, staff are encouraged to contact their Pensions Officer in order to clarify how their pension entitlement may be affected, and/or to seek advice from an Independent Financial Advisor.

The procedure to be followed when considering flexible retirement can be found in section 6.4.2.
6.2.6.1 Pre-retirement wind down (reduction in working hours)

Staff approaching retirement may wish to gradually reduce the number of hours they work in their current role and work fewer hours up to their actual retirement date.

If a reduction in hours is agreed, the staff member will be paid pro rata to the hours worked.

Staff who defer retirement and continue to work part-time can carry on building up pension entitlement.

Pension benefits for part-time staff are calculated on whole time equivalent pay (pro rata to hours worked). For example, a member of staff who continues to work 18.75 hours per week for two years would accrue one year of pension entitlement during that time.

6.2.6.2 Pre-retirement step down (less demanding role)

Staff approaching retirement may apply to step down to continue working in a less demanding role.

A step down may only take place on one occasion and can only occur where a vacancy exists or is being considered as part of a service change and the staff member is successful in being appointed as part of the normal Trust appointment process.

If appointment to a ‘step down’ role is agreed the staff member will be paid the appropriate rate for that post. If there is a reduction in working hours the staff member will be paid pro rata to hours worked.

Members of the NHS Pension Scheme (1995 section) who are over the minimum retirement age, and whose pay reduces by at least 10%, may apply for the pension rights earned at the higher level to be preserved. The application must be made within 15 months of the date the rate of pay is reduced. When a member retires, if they have one period of preserved service, two pensions will be calculated. A pension based on the preserved rate of pay* plus inflation increases for membership up to the date of preservation and a second pension for membership after that date will be calculated using pay* at retirement. If by retirement the protected pay plus inflation increases is not more beneficial, then the whole of the pension benefits will be calculated using pay* at retirement.

* The best of the last three years of pensionable pay.

6.2.6.3 Retire and return

Under the provisions of the NHS Pension Scheme, staff have the option to retire from the Trust and take all their pensions benefits before returning to NHS employment.

However, it should be noted that there is no automatic right for a retiree to return to their current or different role on a full or part-time basis.
Staff who wish to have increased flexibility about when they work may consider joining the Trust bank.

6.2.6.4 Draw down - partial retirement (2008 section and 2015 scheme only)
This option is open to members of the 2008 section and 2015 scheme. Members may elect to partially retire and take some of their benefits whilst continuing in NHS employment. To do this, the staff member must have reached at least the minimum retirement age of 55 and have reduced their pensionable pay by at least 10%.

Members can take between 20% and 80% of their pension entitlement whilst continuing to build up future membership. Pensionable pay must remain reduced for at least a year otherwise eligibility to a pension will cease. Benefits can be drawn down twice before final retirement.

6.2.6.5 Late Retirement (2008 section and 2015 scheme only)
Staff who remain in employment beyond the normal retirement age, and remain in the NHS Pension Scheme, may continue to earn benefits to age 75 or until they reach 45 years’ membership.

There are no provisions to increase benefits for members of the 1995 section if they are paid late but members of the 2008 section will have any pension earned before age 65 increased to take into account of the fact that it is being paid later than the normal retirement age.

Members of the 2015 scheme will have late retirement factors applied to all pension earned until retirement.

6.2.6.6 Re-joining the scheme after retirement (2008 section and 2015 scheme only)
Members of the 2008 section and the 2015 scheme are eligible to re-join the scheme after drawing their pension benefits, up to a maximum age limit of 75, and build a separate pension.

6.2.6.7 Early Retirement and Reduced Buy Out (2015 scheme only)
This new provision to the 2015 pension scheme arrangements allows staff – and/or their employer – to make additional contributions to the scheme that will allow staff to retire earlier than their state pension age without any early retirement reduction (although not more than three years earlier than an individuals’ state pension age and not allowing for a retirement age of less than 65 years old). Further details can be found on the NHS Pensions Agency website.

6.3 Retirement considerations
Eligible members of staff can voluntarily retire at a time of their choosing, and therefore it is important to manage both service needs and staff expectations. Open discussions between managers and members of staff about future plans can help facilitate the transition from work to retirement. They are also important features of workforce planning and staff development. Discussions should always be conducted sensitively, in an atmosphere of trust, and may take place during the appraisal process. During any discussions with members of staff, managers do not have to follow exactly the same questions irrespective of where people are in their careers. However managers should not ask questions which could be seen as discriminatory, for example asking an older worker directly when they are going to retire. It may be more appropriate to ask all members of staff about their future plans. Managers should also
remember that members of staff may express an intention to retire, but later change their mind.

6.4 Procedure When Considering Retirement

6.4.1 Procedure when considering age retirement and voluntary early retirement

Staff wishing to fully retire from work must request a meeting with their manager to discuss their plans, ideally giving 4 months’ notice, but no less than the contractual notice period in writing. Sometimes during the notice period, a member of staff may change their mind. Whilst managers are not under any obligation to agree to rescinding the written resignation, they must give these requests due consideration. Managers may seek advice from the HR Department when considering such requests.

It is the employee’s responsibility to ensure that advance notification of retirement is sent to the Trust’s Pensions Officer – at least four months in advance of the proposed last day of service (inclusive of any outstanding annual leave due) in writing or via e-mail to pensions@ghnt.nhs.uk who will be able to confirm receipt of this. This amount of notice is required to ensure the application for retirement is processed in time for payment of pension benefits on the due date. Less notice could result in the delayed payment of pension benefits. This also allows time for the manager to consider their workforce requirements to recruit to the post as appropriate.

NHS Pension Scheme members who plan to retire should complete and return the “Retirement benefits claim form” (AW8) form as soon as possible. The form will be provided by the Trust’s Pensions Officer along with a pension quote as soon as they are notified of the intention to retire.

Wherever practicable, staff who are due to retire should take any outstanding accrued annual leave prior to their retirement date.

6.4.2 Procedure when considering flexible retirement

Members of staff who wish to request a change in their working arrangements may choose to use the provisions in PP18 Flexible Working. However if members of staff are requesting a change in working arrangements linked to flexible retirement, they should complete the application form in Appendix 2 of this policy.

Members of staff should submit flexible retirement arrangement requests at least 5 months prior to the proposed effective date. In some situations it may be possible to give longer notice and this may allow more time to plan for changes in working patterns. The Trust will consider flexible retirement arrangement applications that have been submitted with less than 5 months’ notice, but the reduced timescales may impact on the ability to agree to the requested changes and the ability for pensions payments to be made in a timely manner.

Members of staff who may wish to consider flexible retirement must in the first instance advise their line manager in writing of their request by completing the application form in Appendix 2.

Following receipt of the request the line manager will consider the request or pass the form to the appropriate manager to consider. They will contact the employee to
discuss their application and arrange a meeting to discuss the options and the basis on which the retirement may or may not be supported

Managers are responsible for ensuring decisions relating to changes in working arrangements, such as flexible retirement, are made in a fair, consistent and transparent manner, taking into consideration the needs of both the service and the member of staff. The service reasons for refusing a request must be from one of those listed below:

- Burden of additional costs
- Detrimental effect on ability to meet patient/client demand
- Inability to reorganise work among existing staff
- Inability to recruit additional staff
- Detrimental impact on quality
- Detrimental impact on performance
- Insufficiency of work during the periods the employee proposes to work
- Planned structural changes

The Manager may wish to seek advice from the HR Department to ensure that any decisions reached do not discriminate against members of staff on the grounds of age.

It is important to remember that each individual case will vary slightly and therefore staff and managers should consult the HR Department and/or the Trusts Pensions Officer and/or the NHS Pensions helpline for advice.

A decision should be made within 28 days of receiving the request. This will allow an employee the opportunity to liaise with the Trust’s Pension’s Officer to process their pension.

Once a decision has been made and an agreement has been reached between the manager and the employee, the following process appropriate to the situation should be followed.

6.4.2.1 Pre-retirement wind down (reduction in working hours)

Once a reduction in hours has been agreed following the procedure in section 6.4.2 the manager will notify the HR and Payroll department as soon as possible of the new hours and the effective date via a change note. HR will issue a variation of contract letter to the member of staff.

6.4.2.2 Pre-retirement step down (less demanding role)

Once a post has been identified following an application under section 6.4.2 and offer agreed the Manager will advise HR in writing of the transfer of the member of staff to a lower grade post including the effective date and duration of the contract and complete a change note for Payroll. HR will issue a new contract of employment. The employee should write to the Pensions Officer within three months should they wish to apply to protect their pension at the higher rate.

6.4.2.3 Draw down- partial retirement (2008 and 2015 section only)

Once a post has been identified following an application under section 6.4.2 and offer agreed the Manager will advise HR in writing of the transfer of the
member of staff to a lower grade post including the effective date and duration of the contract. The employee should contact the Pensions Officer to discuss options should the employee choose to partially retire.

6.4.2.4 Retiring and returning to work

Should it be agreed that an individual can retire and return to the same post they will not need to apply for the post in open competition.

However, should it be agreed that an individual can retire and return to a different post will need to apply for the post in open competition in line with the Trust recruitment process.

There will need to be a minimum break of 14 continuous calendar days (excluding any paid annual leave) from the date of retirement to the date of re-engagement.

This will constitute a break in continuity of service with the Trust. The staff member will be issued with a new contract of employment and the date of commencement of continuous employment for statutory rights, and contractual reckonable service for the purposes of redundancy, will be the date the staff member returns to work.

Please note this break applies to the staff member’s contractual relationship with the Trust. This is different and separate to the breaks described under the NHS Pension Scheme which outlines the minimum breaks to be taken to avoid pension payments being suspended. The NHS Pension breaks are detailed below for completeness but all staff who retire from, and return to, the Trust will be required to take a minimum break of 14 continuous calendar days from the date of retirement to the date of re-engagement.

NHS Pension Scheme - minimum breaks to avoid pension payment being suspended:

- **Members of the 1995 section - need to take a 24-hour break before returning back to employment and work 16 hours or less a week in the first calendar month.**

- **Members of the 2008 section - who have taken all their pension entitlement need to take a 24-hour break.**

- **Members of the 2015 scheme who have taken all their pension benefits will need to take a 24-hour break.**

To ensure the above NHS Pension conditions are met members of the 1995 section, who return to work and wish to take the minimum break, will need to take a break of 14 continuous calendar days and, on re-commencement, work 16 hours or less for the remainder of the calendar month effective from the first day after the last day of service with the Trust.

*Example: A member of the 1995 section whose last day of service is 9 March would need to take a 14 day continuous break from 10 March until 23 March. The member of staff would return to work on the 24 March and work 16 hours or less for the remainder of the calendar month i.e. until 9 April.*
They would then commence working the hours agreed for the re-employed role (if greater than 16 hours) from 10 April onwards.

Members of the 2008 section and 2015 scheme will need to take a break of two weeks and re-commence on the hours agreed for the re-employed role.

Former members of the 1995 section, who retire and take all their pension benefits, can no longer be members of the pension scheme. Members of the 2008 section and 2015 scheme can re-join the scheme after drawing their 2015 benefits up to a maximum age limit of 75.

After the first calendar month following retirement there are no further pension scheme restrictions unless the member is subject to abatement (see guidance below). Therefore there is no upper limit to hours permitted or earnings subject to manager approval.

**6.4.2.5 Abatement (special classes and MHO’s – 1995 section only)**

Special classes and MHO’s who retire on or after age 55 but before age 60 and return to work following retirement are restricted in how much they can earn, this is known as abatement. Abatement ceases at age 60.

Those subject to abatement cannot earn more from their pension and new earnings to what they were earning pre-retirement.

A - Pre-retirement figure (actual earnings for the 12 months to retirement).
B – Earnings in post-retirement job.
C – NHS Pension
D – Earnings margin.

Therefore the calculation is as follows:

\[ A - B - C = D. \]

NHS Pensions will confirm the earnings margin to a member at retirement for those who have indicated a return to NHS employment on their application form. However members who wish to negotiate terms with their manager prior to retirement may contact the Pension Officer who will provide an estimated earnings margin and approximate permitted hours.

**6.5 Appeals Procedure**

6.5.1 If an employee’s request for flexible retirement is not supported and they believe their request has not been properly considered, they have the right of appeal, as set out in the Trust’s Appeal Procedure.

6.5.2 This must be submitted in writing within 14 calendar days of receiving the decision to the next level of management. The letter of appeal must set out the grounds of appeal and include any other relevant information.

6.5.3 An appeal hearing will be arranged within a reasonable timescale. The appeal will be chaired by the next level of management who has not been involved in deciding the
application. The employee has the right to be accompanied by a trade union representative, a friend or a work colleague, not acting in a legal capacity if they wish.

6.5.4 If an employee fails to attend two consecutive appeal hearings without notification, or without reasonable explanation the application will be treated as withdrawn. In such circumstances the employee will be notified of the Trust’s decision in writing.

6.5.5 The employee will be informed of the decision as soon as practicable.

6.5.6 If the appeal is upheld, the details of the flexible retirement arrangements will be notified in writing. The letter will state a description of the new working pattern and when it commences.

6.5.7 If the appeal is not upheld, the employee will be notified in writing. The letter will explain the grounds for the decision.

6.6 Information about Fixed Term Contracts

6.6.1 Managers should be aware that asking a member of staff to change from a substantive contract to a fixed term contract as part of an arrangement for flexible retirement, may be considered discrimination on the grounds of age. Therefore any agreement made to allow an employee to retire and return on a fixed term basis should be by exception only and would need to be objectively justified.

6.6.2 Managers must also remember that the end of a fixed term contract is technically a dismissal from employment. When terminating a fixed term contract managers should seek advice from the HR Department to ensure that both the reason and the procedure for the dismissal are fair according to employment legislation. The HR Department are able to offer advice on the non-renewal of a fixed term contracts, notice periods, potential redundancy situations, and suitable alternative employment.

7 Training

7.1 Appropriate staff within the HR and Payroll Departments will be trained on this policy.

7.2 The contents of the policy will be discussed as part of the pre-retirement course available to staff.

7.3 No other formal training is required in relation to the policy. Staff are advised to contact the HR Department or Pensions Officer for advice in relation to this policy.

8 Equality and diversity

8.1 The Trust is committed to ensuring that, as far as is reasonably practicable, the way we treat members of staff and patients reflects their individual needs and does not discriminate against individuals or groups on the grounds of any protected characteristic. The aim of this policy is to provide clear guidance for managers and staff in relation to the NHS Pension Scheme, the introduction of the New Pension Scheme, and changes as a result of the abolition of the default retirement age.

8.2 This policy aims to promote equality of opportunity and eliminate age unlawful discrimination, by enabling staff to approaching retirement to consider different working patterns to help them to balance their work-life commitments. It adopts a human rights approach and
encourages a positive attitude towards an aging workforce and requests for non-traditional working patterns. This policy has been impact assessed.

9 Monitoring compliance with the policy

9.1 The HR department will monitor the effectiveness of policy by carrying out an annual audit of flexible retirement arrangements and reporting this as part of the workforce metrics presented at the HR Committee.

10 Consultation and review

10.1 This policy has been reviewed in consultation with the Payroll Department and the JCC Policy Sub-Group.

11 Implementation of policy (including raising awareness)

11.1 This policy will be circulated by the Trust Secretary as detailed within OP27.

12 References

12.1 This policy has been drafted in accordance with:

- NHS Pension Scheme
- NHS Pension Scheme Retirement Flexibilities, NHS Employers
- Employment Rights Act 1996
- Guidance on flexible working for the NHS, NHS Employers, January 2014
- Children and Families Act 2014
- Draft code of practice on handling in a reasonable manner requests to work flexibly, ACAS, 2014

13 Associated documentation

13.1 The Trust has a comprehensive suite of policies that document standards of conduct in respect of a number of issues. All policies which may affect employment are available on the Trust website.

13.2 Policies of particular relevance to retirement arrangements are:

- Redundancy and Associated Redeployment Policy (PP04)
- Recruitment and Selection Policy- Non Medical Staff (PP10a)
- Recruitment and Selection of Consultants Policy (PP10b)
- Supporting & Managing Sickness Absence Policy (PP11)
- Equal Opportunities in Employment Policy(PP14)

13.3 The training prospectus for pre-retirement course is also relevant to this policy.
Employee wishes to consider flexing their working arrangement prior to leaving the Trust. The Employee must make a formal request via Appendix 4 at least 5 months before the proposed date.

Manager to arrange to meet with employee to discuss and consider request.

If application is approved:
- Manager to inform employee within 28 days of receiving the request by completing the response form in Appendix 3 as well as providing written confirmation.
- Manager to send copy of application and response form as well as written confirmation to HR.
- HR to ensure appropriate contractual changes actioned.

If application is not approved:
- If an employee is unhappy with the decision they can appeal this to the next level of management.
- Employee to liaise with Trust’s Pension Officer to process pension at least 4 months prior to preferred retirement date.
- HR to keep a record of refusal.

Manager to send copy of application and response for as well as written confirmation to HR.
# Flexible Retirement Application Form

To be completed by the employee

Please provide as much detail as you can about your flexible retirement request desired working pattern. It is important that you complete all the questions to enable your request to be considered. Once you have completed the form you should forward it to your line manager for due consideration.

<table>
<thead>
<tr>
<th>Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Title</td>
<td></td>
</tr>
<tr>
<td>Employee Number</td>
<td></td>
</tr>
<tr>
<td>Department</td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td></td>
</tr>
</tbody>
</table>

**Further Details**

- **Reason for your request**
- If you have plans to finish work at a particular point in time, please provide details here
- Please describe your current working pattern
- Please describe the working pattern you would like to work
- When do you want the request to start?
- Is this a permanent request?
- If temporary, when would you like the new working pattern to finish?
- Please describe how you feel the change in working pattern will affect your colleagues, the Trust and service delivery
- Please describe how you think the effect on your colleagues, the Trust and Service Delivery can be managed effectively
I can confirm that I am aware of the implications this request will have on my terms and conditions of employment and understand my obligations and responsibilities under the Trust’s Retirement Arrangement Policy, PP23. I understand that it is my responsibility to contact: a Pensions Officer prior to submitting an application; ensure I fully understand the implications on my pension; and make the appropriate arrangements to apply for my pension.

<table>
<thead>
<tr>
<th>Signed</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Print Name</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th></th>
</tr>
</thead>
</table>

**Confirmation of Receipt**  
To be completed by receiving manager and photocopy returned to employee

Dear ______________________

I confirm that I have received your request for flexible retirement.

I shall consider your request/pass this form to the appropriate manager [delete as appropriate]. Contact will be made with you in accordance with the Retirement Arrangements Policy, PP23 to discuss your application and a decision will be communicated to you within 28 days. You have the right to be accompanied at the meeting.

If you have any queries in the meantime, please do not hesitate to contact me at your earliest opportunity.

<table>
<thead>
<tr>
<th>Signed</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Print Name</th>
<th></th>
</tr>
</thead>
</table>

| Date |  |
# Flexible Retirement Application Response Form

## To be completed by the Manager

*Complete this form and send it to the member of staff within 28 days of the application being received. Send a copy of this form and the flexible retirement application form to the HR Department along with a copy of the written confirmation sent to the individual detailing agreed arrangements.*

<table>
<thead>
<tr>
<th>Decision</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Request Approved?</strong></td>
<td>Yes/No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date of meeting with employee</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Request supported</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Reason(s) for granting approval</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Type of contract approved</strong></td>
<td>Fixed Term/Substantive</td>
</tr>
<tr>
<td>If substantive contract not approved provide justification why &amp; detail agreed review date</td>
<td></td>
</tr>
<tr>
<td>How will the effect on the service be managed?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Request not Supported but compromise reached and alternative arrangements agreed</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reason(s) for not supporting original request</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Alternative arrangements that have been agreed</strong></td>
<td></td>
</tr>
<tr>
<td>How will the effect on the service be managed?</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Request not supported</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Please identify reason(s) for not recommending approval below and identify why the grounds identified apply.</em></td>
<td></td>
</tr>
<tr>
<td><strong>The burden of additional costs</strong></td>
<td></td>
</tr>
<tr>
<td><strong>An inability to reorganise work amongst existing staff</strong></td>
<td></td>
</tr>
<tr>
<td><strong>An inability to recruit additional staff</strong></td>
<td></td>
</tr>
</tbody>
</table>

---

*Retirement Arrangements Policy v4*
<table>
<thead>
<tr>
<th>A detrimental impact on quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>A detrimental impact on performance</td>
</tr>
<tr>
<td>A detrimental effect on ability to meet customer demand</td>
</tr>
<tr>
<td>Insufficient work for periods the employee proposes to work</td>
</tr>
<tr>
<td>Planned structural changes</td>
</tr>
</tbody>
</table>

**Signed**

**Print Name**

**Job Title**

**Date**

**Note to Employee**

Please note that any changes in your working pattern or contract will be a permanent change to your terms and conditions of employment unless explicitly agreed. There is no automatic right to revert back to your previous working pattern.

If you are unhappy with the decision made you may appeal against it in line with the Trust’s Appeals Procedure.