

Retirement Policy

Date	Version	
May 2019	6	
Purpose		
To ensure that Trust employees who are planning their retirement and their managers understand the options, information and support that is available.		
Who should read this document?		
All employees including Medical and Dental.		
Key messages		
This Policy sets out the options, information and support available to Trust employee with regard to retirement, as and when it is needed, ensuring compliance with the Equality Act 2010.		
Accountabilities		
Production	HR Business Partner	
Review and approval	JSNC & HR & OD	
Ratification	HR&OD Committee	
Dissemination	HR Business Partner	
Compliance	HR & OD	
Links to other policies and procedures		
Flexible Working Policy Leave Policy		
Version History		
3.1	17 th October 2008	Policy Sub Group
3.2	10 th December 2008	Amended in line with changes in the NHS Pension Scheme April 2008 JSNC
3.3	23 rd January 2009	Reformatted, dissemination plan and checklist included
4.1	27 th May 2012	Approved by JSNC
5	January 2019	Extended to April 2019 by Richard Maguire
6	May 2019	New version agreed at JSNC
Last Approval		Due for Review
May 2019		May 2022

PHNT is committed to creating a fully inclusive and accessible service.

Making equality and diversity an integral part of the business will enable us to enhance the services we deliver and better meet the needs of patients and employee.

We will treat people with dignity and respect, actively promote equality and diversity, and eliminate all forms of discrimination regardless of (but not limited to) age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage/civil partnership and pregnancy/ maternity.

An electronic version of this document is available in the Document Library. Larger text, Braille and Audio versions can be made available upon request.

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1 Introduction

The aim of this Policy is to ensure a fair and consistent application for all employees when they reach the age at which they want to retire. The timing of retirement is a matter of individual choice and mutual agreement between the employer and the employee member. Employees are encouraged to remain with the Trust where competence, capacity and position meet mutual expectations.

The Trust will assist and support employees who are planning their retirement. Relevant information that should be considered by individuals contemplating future retirement is set within this policy.

All retirements will be managed and monitored in accordance with this policy and any grievance arising with regard to retirement will be processed in line with the Trusts Grievance Procedure.

2 Purpose, including legal or regulatory background

The Trust adopts a policy that all employees should be treated fairly and consistently ensuring that there is not more favourable or adverse treatment of an employee because of their age unless it can be objectively justifiable as a proportionate response to a legitimate need.

3 Definitions

Please refer to more detailed explanations of NHS Retirement and Pension definitions within this Policy.

4 Duties

Responsibilities of the HR Team:

- Advise and support line managers and employees on the interpretation and application of this policy.
- Work in partnership with Senior Managers and Trade Union Representatives to ensure consistency and fairness in the way the policy is applied to employees, identify areas of ineffective practice and address as appropriate.
- Ensure training and education for line managers is available.

Responsibilities of Managers:

- Ensure the policy is applied fairly and consistently and the correct process is followed.
- Ensure that employees are aware of their options and where they can find more information.
- Seek help and advice from HR.
- Acknowledge and personally respond to any retirement related letters from their employee member.

Responsibilities of Employees:

- Ensure they follow the correct process when considering retirement and keep their line manager informed. Seek help and advice from HR where necessary.

5 State Pension and Retirement Age

Abolishing the Default Retirement Age (DRA) will mean that, in most cases the employee can choose when to retire.

Employees who are members of the NHS Pension Scheme on or before 1 April 2008 are able to retire at 60 and claim their full pension (or 55 if they have special class status). Employees who joined the NHS Pension Scheme after 1 April 2008 have a normal pension age of 65.

6 Flexible Retirement

The Trust encourages employees who may wish to consider retiring earlier to consider the possibility of flexible retirement/working before retiring entirely. The following options are available for employees to consider. Employees and managers considering the “retire and return” option (please see option c below) must first apply the national Department of Health guidance document “Re-employment of employee in receipt of NHS Pension Scheme benefits” at Appendix 4.

a) Draw Down (Post 2008 schemes).

Employees aged 55 or over who joined the NHS Pension scheme after 1st April 2008 are eligible to take a partial retirement if they reduce their pensionable pay by at least 10% by reducing working time and/or taking a less demanding role. This option to draw down benefits can be taken twice before complete retirement. A minimum of 20% and a maximum of 80% of benefits can be taken early and further membership can continue to be built up. Benefits are reduced if taken before the 65th birthday (if in the 2015 scheme, benefits are reduced if taken before State Pension Age or 65, whichever is later).

Wind Down (All Schemes)

Employees who are members of the NHS Pension Scheme may be able to reduce their contracted hours in the run up to retirement subject to the needs of the service and management approval. However, reducing working hours will result in a reduced level of membership to the NHS Pension Scheme.

b) Step Down (1995 Scheme)

Employees in the “1995 section” of the pension scheme may take a less demanding job involving a pay reduction of at least 10% in the run up to retirement. The pension earned before the member retired will be frozen on higher pensionable pay and a second pension started based on ‘stepped down’ pay. On retirement both pensions will be added together. To be eligible for this the employee must be

- Over 50,
- Have at least 2 years pensionable service,
- The reduction must be for at least 12 months, and
- This option can only be exercised once.

An application to protect your pension must be submitted through the Trust Payroll Department – please contact them for further information.

c) Retire and Return (Pre 2008 Scheme)

Employees in the NHS Pension scheme on or before 1 April 2008

For Retire and Return applications, employees are required to make an application using the Trust's Flexible Working application form (included in the Flexible Working Policy). For 'retire and return posts' at Band 7 and above, the application must be approved by the line manager and also the Care Group Manager or relevant Corporate Director. Those in Consultant and Associate Specialists posts must be approved by the Service Line Director and Medical Director. Other applications below Band 7 level can be approved by the relevant Service Line Manager. Each case will be considered on its own merits taking account of current and future workforce requirements. Managers approving 'Retire and Return' applications must be able to demonstrate that there is a business requirement for posts to be filled through "retire and return" after assessing the detailed criteria within the DH guidance document at Annex B (page 11) of Appendix 4 below. Guidance over the application of the DH guidance can be obtained from an HR Business Partner.

Employees who are under the age of 75 and wish to retire, take their pension and return to employment in the NHS need to have a break in NHS service of at least 14 days to be eligible for retirement. The employee can only work for 16 hours per week maximum for one calendar month after retirement or their pension will be suspended and they may have to repay some or the entire pension they have received. However, the employee will be able to keep their lump sum.

If the employee is aged between 60 and 75, or has claimed their pension early and their benefits have been reduced to pay for early retirement**, then their pension will not be affected if they return to work in the NHS.

If an employee was under the age of 75, left NHS pensionable employment after 1 April 2008 and retired before the NHS Pensions 'choice' exercise on 1 July 2009, they would have been eligible for pensionable re-employment in the New NHS Pension Scheme but would need to wait two years after retirement before they can join that Scheme.

If an employee retired after 1 July 2009 then their pension scheme membership eligibility following return to work is determined by which scheme they retired from. If they took the option to transfer to the 2008 NHS Pension Scheme or first became a member of the NHS Pension Scheme after 1st April 2008 then any future employments will be pensionable.

Where an employee takes a flexible option of retirement and receives pension benefits, any past employment may not count as reckonable service for the purposes of NHS redundancy payments. Employee should refer to the guidance within the Agenda for Change Handbook which refers to continuous service and redundancy, and seek more detailed advice from the NHS Pension Agency before making important decisions about retirement.

If an employee wishes to take a flexible retirement option, the Flexible Working policy must be adhered to and there should be no assumption made that an application will automatically be agreed to.

Voluntary Early Retirement

Employees who are members of the NHS Pension Scheme on or before 1 April 2008 and joined before 6 April 2006 may apply for voluntary early retirement from the age of 50. If the employee joined the scheme after 6 April 2006 they may apply for voluntary early retirement from the age of 55.

Employees who joined the NHS Pension Scheme after 1 April 2008 may apply for early retirement from the age of 55.

Early Retirement for Special Classes (for members of the NHS Pension Scheme before 1 April 2008)

There are certain employee groups who, due to the nature of their work, are entitled to take early retirement on different terms to those outlined above. Female qualified nurses, midwives, physiotherapists, occupational health nurses and health visitors together with male or female mental health officers, who were members of the NHS Pension Scheme before March 1995, can retire from age 55 with no reduction to their pension (except that the number of years worked will affect the amount of pension entitlement). Male qualified nurses, midwives, physiotherapists, occupational health nurses and health visitors can also retire at age 55 but benefits will only be based on membership from 17 May 1990. Any benefits accrued prior to this date will not be paid until age 60 unless the employee wishes to claim these earlier (in which case this proportion would be reduced).

Ill Health Retirement

Employees who are members of the NHS Pension Scheme with at least 2 years membership who become permanently incapable of doing their present NHS job because of ill health may be able to receive a pension. In this situation the pension will be calculated in the same way as a normal retirement pension but will not be reduced to take into account early payment. This is called a Tier 1 pension.

Employees with an illness that makes them permanently incapable of doing any regular work of like duration to their NHS job will be entitled to a pension which will be increased by two thirds of the membership they would have received had they continued as a member up to the normal retirement age (see section 5). This is called a Tier 2 Pension.

Employees who are terminally ill may take their pension benefits immediately as a serious ill health lump sum. In this case benefits are calculated as a Tier 2.

Medical advice will be required in these situations and advice should be sought from the Trust's Occupational Health and Wellbeing department.

Early Retirement Due to Redundancy

If an employee is made redundant due to organisational change for example, they may be eligible to receive a pension for life and a lump sum as an alternative to redundancy pay provided the employee:

- Has reached normal pension age (see section 5), and
- Has at least 2 years membership of the NHS Pension scheme.

Early Retirement in the Interest of the Individual and the Trust

This option is only used in exceptional cases. Employee with at least 5 years' service who are age 50 or above may take retirement benefits with enhancements,

depending on age and length of service. Each case is reviewed individually on its own merit. The Director of People must approve these cases prior to agreement being given.

8 Pensions

Eligibility for pension and details of personal pension benefits following retirement are the subject of national terms and conditions and are outside of the scope of this Policy.

More detailed information on pensions can be obtained from the NHS Pension website; <http://www.nhsbsa.nhs.uk/pensions> or from the Pension Officer, Payroll Department.

9 Procedure

To ensure consistent application of this policy in line with good practice and the Equality Act, the following procedure will need to be applied in all departments:-

Fixing the Retirement Date

If the employee wishes to retire at any time from the age of 50 onwards, they must put their request in writing to their line manager, with the specified notice period requirements under Agenda for Change or other applicable NHS terms and conditions. If the employee is in the NHS Pension Scheme, a minimum of **three months' notice** must be given and the request to claim their NHS Pension must be sent in writing to the Pension Officer, Payroll Department.

The manager must inform the department of workforce and development and complete the necessary paperwork for payroll and termination of contract.

If the employee wishes to take a flexible retirement option, the Flexible Working policy must be adhered to. The employee must have the flexible retirement request approved by the Trust **prior to** requesting their NHS Pension.

Line Managers should ensure that they acknowledge retirements with an appropriate personal acknowledgment letter. For example, reflecting long service or the contribution the employee has made, in addition to the standard leavers letter that will be generated by the HR Department.

10 Retirement Award and Party

Retirement Award

A Retirement Award in the form of gift vouchers will be made to an employee who retires from the Trust (whether or not a member of the NHS Pension Scheme) with fifteen or more years NHS service in the following circumstances:

- (a) Retirement on or after reaching pensionable Age.
- (b) Early Retirement as a result of Organisational Change.
- (c) Early Retirement in the interests of the efficiency of the service.
- (d) Early Retirement on the grounds of ill-health at age 50 or over. Special consideration will be given to individual cases of ill-health retirement under the age of 50.

The amount of the retirement award shall be calculated in accordance with the following formula, and will only be payable on one occasion, based on reckonable NHS service at the time of application for the award:-

- 15 years' service or more but less than 20 years' service £100 in vouchers
- 20 years' service or more, but less than 30 years' service £200 in vouchers
- 30 years' service or more £300 in vouchers

A list of available gift voucher suppliers will be maintained by the Workforce Development Team.

Retirement Party

Where retiring employees would like to celebrate their retirement with a work-related farewell function, the Trust will contribute towards the catering arrangements (excluding alcoholic beverages) for up to a maximum of 40 people on the following basis:

- (a) For employees retiring after more than 20 years' Trust service - £4.45 per head.
- (b) For employees retiring after more than 10 but less than 20 years' Trust service - £3.15 per head.

Employee may choose where they wish to hold the function. Where the function is held at the Derriford Centre for Health and Wellbeing (DCHW), the payment will be made directly to DCHW upon confirmation of the number of people attending.

Where employees choose to hold the function elsewhere, the financial contribution will be reimbursed to the employee member, upon receipt of the application (within two months of the employees termination date) to the employees line manager, which will include a declaration of the number of people attending and a copy of the itemised bill to demonstrate the costs relate to food and soft drinks. The line manager will then organise reimbursement through the e-Expenses system

11 Overall Responsibility for the Document

The Director of People has overall responsibility for this document.

12 Consultation and Ratification

The HR Team will consult with managers and the JSNC over this policy which will be ratified by the HR&OD Committee. The Director of People has overall responsibility for the dissemination, implementation and review of this policy.

13 Dissemination and Implementation

Following approval and ratification by the appropriate group, this policy is being rolled out across the Trust.

Publication of this policy will be publicised in Vital Signs, the Trust's weekly employee news briefing and it will be available electronically on the Trust Document Network Share Folder.

14 Monitoring Compliance and Effectiveness

Monitoring of the policy and procedure will be undertaken by the HR Business Partner Team and Payroll Manager in the application of the processes set out within the policy. This Policy will be reviewed at the specified time periods by the HR and OD Directorate, management and employee side through the JSNC mechanism.

The standards and Key Performance Indicators identified with the implementation of this policy are the NHSLA and Standards as determined by the Care Quality Commission.

The Trust will undertake a regular review of this policy. It should be noted that the responsibilities in this policy are legally enforceable and that managers (and employees where applicable) failing to uphold their responsibilities may find themselves in breach of internal disciplinary policies and legislation.

Information for equality monitoring will be recorded as required to ensure equality regulations are met in respect of any formal process commenced under this policy.

15 References and Associated Documentation

This policy has been written in accordance with the Equality Act 2010, the ACAS 'Working without the default retirement age" guidance for employers' and the Department of Health Document 'Re-employment of employee in receipt of NHS Pension Scheme benefits' (July 2017).

Core Information				
Document Title	Retirement Policy			
Date Finalised	May 2019			
Dissemination Lead	HR Business Partner			
Previous Documents				
Previous document in use?	Yes			
Action to retrieve old copies.	Removed from Trust Documents			
Dissemination Plan				
Recipient(s)	When	How	Responsibility	Progress update
All Trust Employee	June 2012	Vital Signs	Workforce Department	

Review		
Title	Is the title clear and unambiguous?	Yes
	Is it clear whether the document is a policy, procedure, protocol, framework, APN or SOP?	Yes
	Does the style & format comply?	Yes
Rationale	Are reasons for development of the document stated?	Yes
Development Process	Is the method described in brief?	Yes
	Are people involved in the development identified?	Yes
	Has a reasonable attempt has been made to ensure relevant expertise has been used?	Yes
	Is there evidence of consultation with stakeholders and users?	Yes
Content	Is the objective of the document clear?	Yes
	Is the target population clear and unambiguous?	Yes
	Are the intended outcomes described?	Yes
	Are the statements clear and unambiguous?	Yes
Evidence Base	Is the type of evidence to support the document identified explicitly?	Yes
	Are key references cited and in full?	Yes
	Are supporting documents referenced?	Yes
Approval	Does the document identify which committee/group will review it?	Yes
	If appropriate have the joint Human Resources/employee side committee (or equivalent) approved the document?	Yes
	Does the document identify which Executive Director will ratify it?	Yes
Dissemination & Implementation	Is there an outline/plan to identify how this will be done?	Yes
	Does the plan include the necessary training/support to ensure compliance?	Yes
Document Control	Does the document identify where it will be held?	Yes
	Have archiving arrangements for superseded documents been addressed?	Yes
Monitoring Compliance & Effectiveness	Are there measurable standards or KPIs to support the monitoring of compliance with and effectiveness of the document?	Yes
	Is there a plan to review or audit compliance with the document?	Yes
Review Date	Is the review date identified?	Yes
	Is the frequency of review identified? If so is it acceptable?	Yes
Overall Responsibility	Is it clear who will be responsible for co-ordinating the dissemination, implementation and review of the document?	Yes

Core Information	
Manager	HR Business Partner
Directorate	HR and OD
Date	May 2012 (reviewed May 2019)
Title	Retirement Policy
What are the aims, objectives & projected outcomes?	To ensure that Trust employees who are planning their retirement understand the options, information and support that is available to them.
Scope of the assessment	
Collecting data	
Race	There is currently no data collected to show whether there will be an impact in this area. However data will be monitored through workforce data reporting and analysis.
Religion	There is currently no data collected to show whether there will be an impact in this area. However data will be monitored through workforce data reporting and analysis.
Disability	There is no data collected to show there will be an impact in this area. However, it is acknowledged that there could be an impact on disability particularly in relation to ill health retirement but this will be managed by applying the Policy consistently and through the HR Direct team supporting this process. This area will be monitored through workforce data reporting and any feedback from line managers/trade unions.
Sex	There is currently no data collected to show whether there will be an impact in this area. However data will be monitored through workforce data reporting and analysis.
Gender Identity	There is currently no data collected to show whether there will be an impact in this area. However data will be monitored through workforce data reporting and analysis.
Sexual Orientation	There is currently no data collected to show whether there will be an impact in this area. However data will be monitored through workforce data reporting and analysis.
Age	The NHS pension scheme allows members to retire from the age of 50 or 55 depending on which scheme they are part of and there is no longer a default retirement age which means that members do not have to take their pension until they feel ready to do so. This is available to all employees and no application for retirement is refused. Employees are also entitled to apply for flexible retirement should they wish to do so. Data will be monitored through workforce data reporting and analysis.
Socio-Economic	There is no data available to show there will be an impact in this area.
Human Rights	There is no data available to show there will be an impact in this area.
What are the overall trends/patterns in the above data?	No trends or patterns identified at this stage. However, workforce data will be identified and appropriate action plans put in place.

Specific issues and data gaps that may need to be addressed through consultation or further research	There is currently no data to monitor the impact on gender identity, socio-economic and human rights			
Involving and consulting stakeholders				
Internal involvement and consultation	HR Business Partners, Trust Senior Management Team, JSNC			
External involvement and consultation				
Impact Assessment				
Overall assessment and analysis of the evidence	At present there is no anticipated negative impact. However, the workforce data that can be collected will be monitored to assess the impact.			
Action Plan				
Action	Owner	Risks	Completion Date	Progress update
Monitoring of workforce data on a regular basis	HR Business Partners		On-going	Action will be taken as and when required.
Advising employees and managers on disability in relation to ill health retirement	HR Business Partners	Disabled employees may not be supported with ill health retirement	On-going	On-going

[Insert DoH document here]