

Retirement Procedure

This Procedure describes the process to be followed by employees wishing to retire. It also provides general guidance on retirement for employees and managers.

Key Words:	Retirement, Retire, Pension, Flexible	
Version:	3	
Adopted by:	Strategic Workforce Committee	
Date adopted:	April 2012	
Name of originator/author:	Human Resources	
Name of responsible committee:	Workforce Wellbeing Group	
Date issued for publication:	1 May 2012	
Review date:	March 2022	
Expiry date:	1 October 2022	
Target audience:	All LPT Staff	
Type of Policy	Clinical	Non Clinical √
NHSLA Risk Management Standards if applicable:	n/a	
Relevant CQC Standards:	14	

CONTRIBUTION LIST

Key individuals involved in developing the document

Name	Designation
Kirsty Owens	Senior HR Advisor

Circulated to the following individuals for comments

Name	Designation
Kathryn Burt	Head of HR (CHS)
Kam Kotecha	Head of HR (Adult Mental Health & Learning Disabilities)
Sarah Willis	Head of HR (FYPC)
LPT senior managers band 8a and above	
Workforce & OD Development Committee Members	
Policy Group Members	
Integrated Equality & Diversity Service	
Joint Staff Consultation and Negotiating Committee (JSCNC)	

Contents

Section		Page
	Definitions that apply to this Policy	5
	Equality Statement	7
1.0	Summary of Policy	7
2.0	Introduction	7
3.0	Purpose	8
4.0	Duties within the Organisation	8
5.0	Normal Retirement Age of Pension Purposes	9
5.1	Early retirement for Pension Purposes	9
5.2	Special Class status/Mental Health Officer Status	10
5.3	Flexible retirement	10
5.4	Re-employment in the NHS following retirement	11
5.5	Notice of retirement from employee (voluntary resignation)	11
5.6	Preparation for retirement	12
5.7	Justification for document	12
6.0	Due Regard	12
7.0	Monitoring Compliance and Effectiveness	13
8.0	Links to Standards and Performance/Indicators	13
9.0	References and Associated Documentation	13
10.0	Dissemination and Implementation	13
	Appendix 1 – Preparing for Retirement course	14
	Appendix 2 – Retirement Awards/Parties	15

Version Control and Summary of Changes

Version number	Date	Comments (description change and amendments)
1.0	19.01.12	Harmonisation of LPT, LCR and LCCHS Retirement Policies
2.0	16.07.12	<p>5.4.2 Following retirement, ex-employees wishing to resume work must be recruited to a new post in line with the Trust's Recruitment and Selection Policy.</p> <p>This has been replaced by the following wording</p> <p>If a person wishes to retire and return to <u>their</u> post on flexible grounds, it will be offered to them provided:</p> <ul style="list-style-type: none"> • The service requires the post to be filled and • The post is not deemed suitable for another employee seeking redeployment within the Trust due to being at risk of redundancy, ill health, capability etc. and • The retiring employee's flexible working request can be accommodated in terms of hours of work and working pattern <p>All requests for flexible retirement will be carefully considered and not unreasonably refused but the manager's decision, which will be based on service need, is final and there is no right of appeal against this decision.</p>
3.0	April 2021	No changes to legal status of policy, full review by March 2022.

All LPT Policies can be provided in large print or Braille formats, if requested, and an interpreting service is available to individuals of different nationalities who require them.

For further information contact:

Senior HR Advisor, (0116) 2957542

Definitions that apply to this Policy

Organisational Retirement Age	LPT does not specify an organisational retirement age.
Normal Retirement Age	Normal retirement age for NHS Pension purposes is the age that employees can retire from NHS employment and have pension paid without reduction or enhancement. The actual age depends on the section of the NHS Pension Scheme that the employee is in.
Minimum Retirement Age	<p>Minimum Retirement Age for NHS Pension purposes is the age at which employees can choose to take voluntary early retirement with reduced benefits (benefits are reduced because the pension is being paid for longer than expected). The minimum retirement age depends on the NHS Pension Scheme the employee is in:</p> <p>1995 Section – Employees who joined the scheme before 6 April 2006 have a minimum retirement age of 50.</p> <p>1995 Section – Employees who joined the scheme on or after 6 April 2006 have a minimum retirement age of 55.</p> <p>2008 Section – Employees have a minimum retirement age of 55.</p>
1995 Section	<p>The 1995 Section of the NHS Pension Scheme was closed to new members from 1 April 2008</p> <p>Employees in the 1995 section of the NHS Pension Scheme have a normal retirement age of 60 unless they qualify for Special Class Status/Mental Health Officer Status (see below).</p>
Special Class Status	<p>Nurses, Physiotherapists, Midwives, Occupational Health Nurses, Health Visitors who were members of the 1995 NHS Pension Scheme before 6 March 1995 have Special Class Status (See '1995 Section' above)</p> <p>Female members of the special classes are entitled to retire with benefits from age 55, provided that their last 5 years membership prior to retirement is in one of these jobs.</p> <p>Men in any of these jobs can retire from age 55 provided that their last 5 years membership prior to retirement is in one of these jobs, but their benefits will only be based on their membership from 17 May 1990. Benefits for membership before that date will not be paid until age 60 unless the member applies to take a reduction in these benefits</p>
Mental Health Officer Status	Employees who joined the NHS Pension Scheme before 6 March 1995 have MHO Status if they work in an approved place used for

(MHO)	<p>the treatment of patients suffering from mental disorders, and are employed for the whole or almost the whole of their time in the direct treatment or care of those patients (See '1995 Section' above).</p> <p>Male and female employees with Mental Health Officer (MHO) and at least 20 years' service may retire with benefits from age 55 provided they are still in a MHO job, and count each year of MHO membership over 20 years as 2 years for benefit purposes.</p>
2008 Section	<p>The Section of the NHS Pension Scheme which applies from 1 April 2008 until 31 March 2015.</p> <p>Employees in the 2008 section of the NHS Pension Scheme have a normal retirement age of 65</p>

Equality Statement

Leicestershire Partnership NHS Trust (LPT) aims to design and implement policy documents that meet the diverse needs of our service, population and workforce, ensuring that none are placed at a disadvantage over others. It takes into account the provisions of the Equality Act 2010 and advances equal opportunities for all. This document has been assessed to ensure that no one receives less favourable treatment on the protected characteristics of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (gender) or sexual orientation.

In carrying out its functions, LPT must have due regard to the different needs of different protected equality groups in their area. This applies to all the activities for which LPT is responsible, including policy development, review and implementation.

1.0 Summary

- 1.1** The Retirement Policy is intended to help managers and employees understand the options available when employees wish to retire. The policy explains the process to be followed when an employee decides to retire and the arrangements by which employees may be facilitated to retire earlier than normal retirement age, subject to meeting certain criteria.
- 1.2** The policy explains the flexible retirement options available under the NHS Pension Scheme and signposts employees wishing to apply for flexible retirement to the Flexible Working Policy for full details on how to make an application.
- 1.3** The policy takes into account the terms of the Equality Act 2010 which made it unlawful to issue staff with notice to compulsorily retire at the age of 65 after the 1 April 2011 without objective justification.

2.0 Introduction

- 2.1** LPT recognises that retirement is an important time in every employee's life and wishes to help ensure that employees who are approaching retirement are given the opportunity to prepare and plan for this change in lifestyle. LPT values the contribution of all staff – regardless of age – and is also keen to adopt a flexible approach to retirement, understanding that some employees may prefer to alter their working pattern leading up to their retirement.
- 2.2** This policy does not preclude any member of staff from retiring from NHS employment at any stage and, if they are members of an NHS Pension Scheme, having what they have earned to date frozen until they reach normal (pensionable) retirement age.

3.0 Purpose

The purpose of the policy is to give information and guidance to managers and employees about retirement. It describes the options available to employees wishing to consider flexible retirement and explains the process to be followed when an employee makes the decision to retire.

4.0 Duties within the Organisation

4.1 The Trust Board has a legal responsibility for Trust policies and for ensuring that they are carried out effectively.

4.2. Workforce Development Committees have the responsibility for ratifying policies and protocols.

4.2.1 Workforce Development group have a responsibility for ensuring the development, implementation, review and monitoring effectiveness of all policies. Each committee will:

- Sanction the development of new policies
- Identify a policy lead
- Sign off checklist for review and approval
- Review whether practices are in line with policy and ensure regular monitoring of implementation is undertaken
- Approve relevant policies and procedures

4.3 Managers and Team leaders will be responsible for:

4.3.1 Discussing future plans, including retirement, with all employees – regardless of age – during their annual appraisal.

4.3.2 Considering employee requests for flexible retirement and making a decision about such requests in line with the needs of the service.

4.3.3 Ensuring that all relevant paperwork is completed and sent to Human Resources when an employee advises them of his/her intention to retire.

4.3.4 For eligible employees, arranging the purchase of a Retirement Award and the Retirement Party and ensuring that receipts are retained for 7 years for auditing purposes.

4.4 The Human Resources Department will be responsible for:

4.4.1 Ensuring the provisions within this policy are in line with employment legislation and best practice people management principles.

4.4.2 Providing Managers, Team leaders and employees with advice and guidance on the application of this policy and procedure.

4.4.3 Processing retirement notifications and informing eligible employees of their entitlement in respect of a Retirement Award/Retirement Party.

4.5 The Payroll department will be responsible for:

- 4.5.1 Processing retirement applications and sending Retirement Pack to employee.
- 4.5.2 Providing employees with information about their pension, including pension quotes.

4.6. Employees Responsibility

- 4.6.1 Employees are responsible for giving the appropriate notice of their intention to retire to their manager

4.7 Stakeholders

- Workforce and OD Development Committee
- Workforce Development Sub Group
- Policy Group
- Integrated Equality and Diversity Service
- Joint Staff Consultation and Negotiating Committee (JSCNC)

5.0 Normal Retirement Age for Pension Purposes

- 5.0.1 LPT does not have an organisational retirement age.
- 5.0.2 Employees in the NHS Pension Scheme may take a normal retirement pension once they have reached normal retirement age. Normal retirement age is 60 for employees in the 1995 Section of the NHS Pension Scheme and 65 for employees in the 2008 Section of the NHS Pension Scheme.

5.1 Early (before normal retirement age) Retirement for Pension Purposes

- 5.1.1 Employees who have reached the Minimum Retirement Age for NHS Pension purposes may choose to take early retirement and a reduced pension.
- 5.1.2 Minimum retirement age for employees in the 1995 Section of the NHS Pension Scheme is 50 and members of this section may retire between 50 and 60 and take a reduced pension.
- 5.1.3 Minimum retirement age for employees in the 2008 Section of the NHS Pension Scheme is 55 and members of this section may retire between the ages of 55 and 65 and take a reduced pension.
- 5.1.4 Employees are advised to seek advice from the NHS Pension Scheme, through the Payroll department via the helpdesk or at <http://nhsbsa.nhs.uk/pensions> prior to making any decisions regarding early retirement to consider the implications for their pension rights.
- 5.1.5 Members of the NHS Pension Scheme are eligible to retire earlier than pensionable age if they are certified as being permanently incapable of carrying

out efficiently the duties on which they are employed because of illness. Ill health retirement has a two year qualifying service and early pension benefits are payable regardless of age. All ill health retirements must be approved by the NHS Pensions Agency. Please see the Policy and Procedure on the Management of Absence for more information.

- 5.1.6 Early retirement may also apply in certain redundancy and organisational change situations – please contact Human Resources Department, Pensions Agency or look at the NHS Pensions Agency website www.nhspa.gov.uk.

5.2 Special Class Status/Mental Health Officer Status (1995 Section only)

5.2.1 Nurses, Physiotherapists, Midwives, Occupational Health Nurses, Health Visitors who were members of the 1995 Section of the NHS Pension Scheme before 6 March 1995 have Special Class Status. Female members of the special classes are entitled to retire with benefits from age 55, provided that their last 5 years membership prior to retirement is in one of these jobs. Male members of the special classes can retire from age 55 provided that their last 5 years membership prior to retirement is in one of these jobs, but their benefits will only be based on their membership from 17 May 1990. Benefits for membership before that date will not be paid until age 60 unless the member applies to take reduced benefits for that part of their pension.

5.2.2 Employees in the 1995 Section of the NHS Pension Scheme with Mental Health Officer Status are entitled to retire without any reduction of benefits from age 55, provided they are in an MHO job during their last 5 years of membership

5.3 Flexible Early Retirement

5.3.1 Wherever possible LPT is keen to support employees who wish to take a flexible approach to their retirement. The new NHS Pension Scheme arrangements introduced in April 2008 have responded to the reality that people often value the opportunity to work later, but with increased flexibility in the transition period between work and retirement. There are several flexible retirement options that employees can consider:

Wind down – employees may be able to reduce the number of hours they work.

Step down – employees who do not want to retire, but who would like to give up the pressure and responsibilities of their current role can request to step down into a less demanding and lower graded post, which still makes use of their skills and experience.

Retire and Resume – staff who have reached minimum retirement age can opt to retire, take all their pension benefits and return to NHS employment. Options available include registering with the staff bank and working on an ‘as and when’ basis or applying for a new permanent position (see below).

Draw down – members of the 2008 Section of the NHS Pension Scheme may choose to take part of their pension benefits whilst continue in NHS employment.

5.3.2 Employees are advised to seek advice from the NHS Pension Scheme, through the Payroll department via the helpdesk or at <http://www.nhsbsa.nhs.uk/pensions> prior to making any decisions regarding flexible retirement to consider the implications for their pension rights.

5.3.4 Employees considering flexible retirement options should refer to the Flexible Working Policy and Procedure, which details the procedure for making an application for flexible retirement.

5.4 Re-employment in the NHS following early retirement

5.4.1 Employees who wish to return to NHS employment after they have retired and accessed their NHS Pension are strongly advised to take contact the NHS Pensions Agency <http://www.nhsbsa.nhs.uk/pensions> regarding their permitted hours, earnings and pension contributions.

5.4.2 If a person wishes to retire and return to their post on flexible grounds, it will be offered to them provided:

- The service requires the post to be filled and
- The post is not deemed suitable for another employee seeking redeployment within the Trust due to being at risk of redundancy, ill health, capability etc. and
- The retiring employee's flexible working request can be accommodated in terms of hours of work and working pattern

All requests for flexible retirement will be carefully considered and not unreasonably refused but the manager's decision, which will be based on service need, is final and there is no right of appeal against this decision.

5.4.3 Retired NHS employees who are appointed to a new post in LPT must have a minimum break of 2 weeks between leaving and re-engagement and will be issued with a new contract of employment by the Human Resources Department. Continuous employment date for such employees will be the date of re-engagement; however they would retain their reckonable service for contractual benefits such as annual leave.

5.5 Notice of Retirement from Employee (Voluntary Resignation)

5.5.1 Employees who wish to retire and begin drawing their pension must inform their line manager in writing at least 16 weeks prior to their intended retirement date.

5.5.2 The line manager should arrange to meet with the employee. During this meeting the 'Staff Notification of Retirement Form' (H7Form) and 'Termination of Employment Form' (H5 Form) should be completed. The line manager will then forward these forms to the HR Department.

5.5.3 HR will write to the employee to acknowledge receipt of his/her request to retire. For staff with 20 or more years' service in the NHS the letter will include details of their Retirement Gift and the contribution LPT will make towards the cost of a retirement party. A copy of the letter will also be sent to the line manager.

5.5.4 The Payroll department will issue form AW8 to the employee to complete and return with the necessary certificates. Please note that NHS pensions can not be issued without this information.

5.5.5 Employees who are not members of the NHS Pension Scheme should also follow the process outline above, but are only required to give contractual notice of their intention to retire.

5.6 Preparation for Retirement

5.6.1 A one day course 'Preparing for Retirement' is available for employees planning for their retirement. It is recommended that staff attend between 12 and 18 months before their retirement. The course is run by the University Hospitals of Leicester NHS Trust at Leicester Royal Infirmary. Details of the course are shown in Appendix 1. The cost of attending the course will be met from the line manager's budget.

5.6.2 Employees interested in attending should discuss it with their line manager in the first instance.

5.6.3 The NHS Retirement Fellowship is a registered charity that exists to promote the welfare of retired NHS staff. Further information can be obtained through the Fellowship's website www.nhsrf.org.uk

5.7 Justification for Document

5.7.1 This policy ensures that LPT complies with the Equality Act 2010 and current employment legislation.

5.8 Stakeholders and Consultation

Workforce and Organisational Development Policies are subject to joint monitoring and review between management and staffside through the JSCNC. Guidance in relation to Due Regard for this policy has also been received by the Policy group and the Integrated Equality and Human Rights Service. Management consultation has also been undertaken in relation to this policy.

6.0 Due Regard

The Trust is committed to providing equality of opportunity, not only in its employment practices but also in the services for which it is responsible. As such this policy has been developed in context of Section 149 of the Equality Act 2010 have due regard for the need to:

- Eliminate discriminations

- Equality of Opportunity
- Provide for good relations between people of diverse groups.

The policy takes into account the terms of the Equality Act 2010 which made it unlawful to issue staff with notice to compulsorily retire at the age of 65 after the 1 April 2011 without objective justification.

7.0 Monitoring Compliance and Effectiveness

The Workforce Planning department will log employee retirement dates on the Electronic Staff Record and report on these to help inform workforce planning. This policy is expected to be reviewed within 2 years (or earlier to reflect any legislative Changes).

8.0 Links to Standards/Performance Indicators

TARGET/STANDARDS	KEY PERFORMANCE INDICATOR
Care Quality Commission registration standards (outcome 14) <i>Supporting Workers</i> (21) of the Health & Social Care Act (2008) (Regulated Activities Regulations 2010 CQC essential standards)	That the trust maintains compliance with CQC registration standards, this policy supports outcome standards 14

9.0 References and Associated Documentation

This policy was drafted with reference to the following:

- <http://www.nhsbsa.nhs.uk/pensions>
- Flexible Working Policy

10.0 Dissemination and Implementation

The policy is approved by the Leicestershire Partnership NHS Trust Workforce and OD Committee and is accepted as a Trust wide policy. This policy will be disseminated immediately throughout the Trust following ratification.

The dissemination and implementation process is:

- Line-Managers will convey the contents of this policy to their staff
- Staff will be made aware of this policy using existing staff newsletters and team briefings
- The policy will be published and made available on the Intranet.

Preparation for Retirement

This one-day course is suitable for any member of staff due to retire in the next 18 months.

Aims:

The aims of the programme are to provide relevant information on:

- Dealing with a change between work and retirement
- Social and state benefits
- Managing your money
- Maintaining health in retirement
- Learning and volunteering opportunities
- Keeping your home secure

The course also aims to stimulate members to think of new ways of using their time following retirement by giving information on the variety of opportunities open to them.

Learning Methods:

There are a range of contributors covering topics from Finance to Keep Fit and Voluntary Organisations etc.

Participants:

The course is open to NHS employees who are approaching retirement. To gain maximum benefit from the course it is recommended that you attend between 12 and 18 months before your retirement date.

Course Provider:

HR, Training and Development
University Hospitals of Leicester NHS Trust at Leicester Royal Infirmary
Tel: 0116 258 6306

How to Book:

Course applications are available from UHL.

Course fees will be paid by the Trust of a completed Study Leave Form by the Training and Development Team at the Academy, Alfred Hill Centre.

Retirement Awards/Parties

Retirement Gifts

The Trust will provide a retirement gift award for employees who retire with 10 or more years' service in the NHS. The entitlement is as stated below;

- 0-9 Years – no entitlement to gift
- 10 years - £50
- Thereafter, the award of £5 per year of service up to a maximum of £200 will apply.

The service does not need to be continuous service and separate periods of NHS employment will be aggregated. Service through 'the bank'/flexible staffing is not recognised for the purposes of calculating length of service.

The award will apply to any form of retirement including normal age retirement, early retirement, ill-health retirement or retirement as a result of redundancy.

In line with HMRC Regulations staff with 20 years' service who have not received another long service award in the previous 10 years will not need to pay tax and National Insurance contributions on the value of their gift.

However, where staff have received a long service award within the previous 10 years or have less than 10 years' service, LPT is required to report the full value of your gift to HMRC via your P11D (which may mean that the HMRC will ask you to pay tax on it). You will also be required to pay Class 1A National Insurance Contributions on the value of the gift.

Retirement Parties

Employees retiring after 10 or more year's cumulative service in the NHS are eligible for financial support of £50 to offset the cost of a retirement party.

Managers should ensure that appropriate receipts are obtained and retained for 7 years for audit purposes.

Employees should make arrangements for payment of gifts and parties directly with their line manager.

The cost of Retirement Awards and Parties should be met from an appropriate budget held by the line manager.