

Retirement Policy and Procedure

This policy describes the process to be followed by employees wishing to retire, including flexible retirement options. It also provides general guidance on retirement for employees and managers.

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1.0 Version Control And Summary Of Changes

Version number	Date	Comments
1.0	19.01.12	Harmonisation of LPT, LCR and LCCHS Retirement Policies
2.0	16.07.12	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. This has been replaced by the following wording: <i>"If a person wishes to retire and return to <u>their</u> post on flexible grounds, it will be offered to them provided:</i> <i>• The service requires the post to be filled and</i> <i>• 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</i> <i>• The retiring employee's flexible working request can be accommodated in terms of hours of work and working pattern.</i> <i>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."</i>
3.0	April 2021	No changes to legal status of policy, full review by March 2022.
4.0	October 2023	Updated to reflect: • updated NHS Pensions regulations • updated retirement application processes to reflect new regulations • introduction of new Retirement Planning Course • amendments to retirement gifts – how to access and values • removal of contribution towards a Retirement Party.

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1.1 Key individuals involved in developing and consulting on the document

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Consultation	All LPT Staff Bands 7 and above

1.2 Governance

Level 2 or 3 approving delivery group	Level 1 Committee to ratify policy
Strategic Workforce Group	People and Culture Committee

1.3 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 promotes 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, sex (gender), gender reassignment, sexual orientation, marriage and civil partnership, race, religion or belief, pregnancy and maternity.

1.4 Due Regard

LPT will ensure that Due regard for equality is taken and as such will undertake an analysis of equality (assessment of impact) on existing and new policies in line with the Equality Act 2010. This process will help to ensure that:

- Strategies, policies and procedures and services are free from discrimination.
- LPT complies with current equality legislation.
- Due regard is given to equality in decision making and subsequent processes.
- Opportunities for promoting equality are identified.

Please refer to due regard assessment (Appendix 3) of this policy.

1.5 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 which NHS Pension Scheme / Section of a Scheme an employee is in.
Minimum Retirement Age	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: 1995 Section – Employees who joined the scheme before 6 April 2006 have a minimum retirement age of 50. 1995 Section – Employees who joined the scheme on or after 6 April 2006 have a minimum retirement age of 55 unless the individuals have a protected minimum pension age. 2008 Section and 2015 Scheme – Employees have a minimum retirement age of 55.

1995 Section	The 1995 Section of the NHS Pension Scheme was closed to new members from 1 April 2008 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).
Special Class Status	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) 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. 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.
Mental Health Officer Status (MHO)	Employees who joined the NHS Pension Scheme before 6 March 1995 have MHO Status if they work in an approved place used for 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). 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.
2008 Section	The Section of the NHS Pension Scheme which applies from 1 April 2008 until 31 March 2015. Employees in the 2008 section of the NHS Pension Scheme have a normal retirement age of 65.
2015 Scheme	The NHS Pension Scheme which applies from 1 April 2015. Employees in the 2015 Scheme have a normal retirement age equal to that of their State Pension Age.
Retire and Return	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.
Partial Retirement (Draw Down)	Partial retirement enables members who have reached minimum pension age to take all or part of their pension whilst continuing to work. Members may draw down between 20 per cent and 100 per cent of their pension benefits in one or two payments, without having to leave employment. Members must reduce their pensionable pay by at least 10 per cent before taking partial retirement. This reduction must last at least a year or the member will cease to be eligible for the pension they have drawn down.

Step Down	Employees give up the pressure and responsibilities of their current role to “Step down” into a less demanding and lower graded post, which still makes use of their skills and experience whilst remaining in NHS employment and without accessing their NHS Pension.
Wind Down	Employees remain in their current post but reduce the number of hours or days per week they work without accessing their NHS Pension.

2.0. 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.

- 2.1 This policy applies to all staff employed by the Trust (both substantive and bank staff), except where otherwise stated.
- 2.2 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.
- 2.3 All other applications for flexible working should be made in line with the Flexible Working Policy.
- 2.4 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.

3.0. Introduction

- 3.1 The Trust 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.
- 3.2 The Trust 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.
- 3.3 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.
- 3.4 The Trust is committed to the principles of equal opportunities in employment for all. This policy will be applied equitably and fairly and aims to ensure that no employee receives less favourable treatment on the grounds of age, gender, ethnicity, religion or belief, disability, marriage or civil partnership, pregnancy or maternity, or sexual orientation.

- 3.5 All staff should act in accordance with our Trust leadership behaviours for all and be able to evidence adherence in situations that involve Retirement. A fundamental approach to developing our Leadership behaviours for all is our ability to both give and receive feedback in a positive and insightful way. The feedback method is based on defining; Context, Understanding, Behaviour and Effect (CUBE).

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 Directors and Heads of Service are responsible for:

- 4.2.1 Ensuring the fair and consistent implementation of this policy within their own areas of responsibility; and
- 4.2.2 Ensuring that line managers receive adequate training deemed necessary to implement this policy appropriately.

4.3 Managers and Team leaders are responsible for:

- 4.3.1 Ensuring that this policy is applied fairly and consistently.
- 4.3.2 Discussing future plans, including retirement, with all employees – regardless of age – during their annual appraisal.
- 4.3.3 Considering employee requests for flexible retirement and making a decision about such requests in line with the needs of the service;
- 4.3.4 Making decisions relating to retirement that follow relevant workforce expenditure controls the Trust has in place and have appropriate authorisation; and
- 4.3.5 Ensuring that all relevant paperwork is completed and sent to Human Resources when an employee advises them of his/her intention to retire by the specified deadlines.

4.4 Human Resources are responsible for:

- 4.4.1 Providing support and advice to managers and employees to ensure the fair and consistent application of the policy.
- 4.4.2 Ensuring the provisions within this policy are in line with employment legislation and best practice people management principles.
- 4.4.3 Issuing, where applicable, an NHS Pensions Application for Retirement Benefits Form (AW8) along with any relevant supplementary forms to the employee in conjunction with a covering letter, copying in the line manager for information.
- 4.4.4 Where employee and manager have confirmed will be retiring and returning, provide copies of the relevant documentation to the Employee Resourcing Team to enable recruitment to be carried out in a timely manner.

- 4.4.5 Acting on manager instructions, that must be fully authorised in line with relevant workforce expenditure controls the Trust has in place, relating to the retirement (Termination Forms/Change of Circumstances Forms). Human Resources will act on authorised instructions received through agreed methods to ensure that the Electronic Staff Record (ESR) is updated and amended accordingly to ensure correct payment and ensuring this is communicated to payroll in a timely manner.
- 4.4.6 Providing information to the Trust's Chair on a monthly basis, to enable them to issue appropriate correspondence to the employee (i.e., congratulations on your retirement/thank you for your service); and
- 4.4.7 Ordering gift vouchers for the employees and ensuring that these are delivered in their month of retirement.

4.5 Trust's Payroll Supplier is responsible for:

- 4.5.1 Providing employees with information about their pension, including pension quotes as and when requested; and
- 4.5.2 Processing of the NHS Pensions Application for Retirement Benefits Form (AW8) along with any relevant supplementary forms upon receipt from the employee and ensuring that this is subjected to NHS Pensions by their deadline.

4.6 Staff are responsible for:

- 4.6.1 Staff are responsible for giving the appropriate notice of their intention to retire to their manager and providing information about the route they have opted to take.
- 4.6.2 Completing and submitting their notification of intention to retire form in conjunction with their line manager approximately 20 weeks prior to retirement.
- 4.6.3 Completing and returning the NHS Pensions Application for Retirement Benefits Form (AW8) along with any relevant supplementary forms to the Trust's external Payroll and Pensions provider in a timely manner; and
- 4.6.4 Making themselves aware of and adhering to this policy.

5.0 Retirement Options

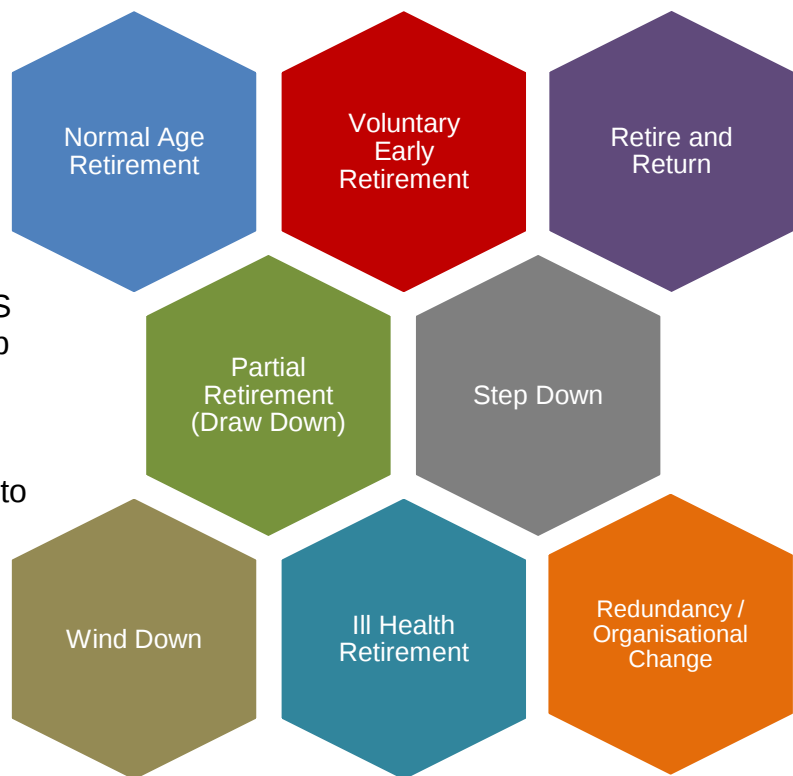
5.1 Introduction

In addition, to normal age retirement and voluntary early retirement, there are a number of flexible retirement options open to staff. These allow staff to access their pension benefits while remaining in or returning to, the NHS workforce, with the option to build up further pension benefits if they wish.

This is a valuable part of the Trust's Reward offer and enables the Trust to retain experienced staff who want to adjust their working pattern and manage their finances in the approach to retirement.

Staff can retire gradually and work flexibly for longer, passing their skills and knowledge to colleagues, aiding succession planning and ensuring high quality care for patients.

Working flexibly improves work life balance for staff, while accessing pension benefits supports financial wellbeing. This in turn can bolster staff health and wellbeing, improve sickness absence rates and productivity, while reducing rates of stress, fatigue and burnout. However, staff are advised to consider their personal tax position if they are going to be in receipt of income from the Trust as well as their NHS Pension.



5.2 Normal Age Retirement

5.2.1 The Trust does not have an organisational retirement age.

5.2.2 Employees in the NHS Pension Scheme may take a normal retirement pension once they have reached normal retirement age for the Scheme / Section of the Scheme they are a member of, as follows:

1995 Section	Age 60 unless hold Special Class / MHO Status (See sections 7.1.3 and 7.1.4 below)
2008 Section	Age 65
2015 Scheme	State Pension Age



5.2.3 Special Class Status (1995 Section only)

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.

5.2.4 Mental Health Officer Status (1995 Section only)

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 Voluntary Early (before normal retirement age) Retirement

5.3.1 Employees who have reached the Minimum Retirement Age for NHS Pension purposes may choose to take voluntary early retirement and **a reduced pension and where applicable lump sum.**



5.3.2 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.

5.3.3 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.

5.3.4 Minimum retirement age for employees in the **2015 NHS Pension Scheme** is 55 and members of this section may retire between the ages of 55 and their State Pension Age and take a reduced pension.

5.4 Retire and Return

5.4.1 Staff who have reached minimum retirement age can opt to retire, take all their pension benefits and apply to 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).



5.4.2 If a person wishes to retire and return to their post on flexible grounds, the following will apply:

- There is no automatic right to return to a substantive post after retirement;
- Any post that is to be recruited to, for example the post the employee has retired from, must be authorised in line with relevant workforce expenditure controls the Trust has in place and must be a post that the service still requires to be filled;

- 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
- As the retired employee has no right to the role, the role will be recruited to through a competitive process with the role advertised in line with current recruitment guidelines
- If necessary, the retiring employee's flexible working request can be accommodated in terms of hours of work and working pattern.

5.4.3 .

5.4.4 Retired NHS employees who are appointed to a new post in LPT must have a **minimum 14-day unpaid break between retirement 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 annual leave and sickness entitlement.

5.4.5 There is currently no limit to the hours you can work following a “retire and return”, even in the first month.

5.4.6 If you take Voluntary Early Retirement and held Special Class / MHO Status prior to retirement, abatement may apply – see NHS Pensions website for further information.

5.4.7 Upon return to NHS employment, individuals will be contractually re-enrolled into the 2015 NHS Pension Scheme where they meet the eligibility criteria for this scheme, which will allow them to build up further pension membership. .

5.5 Partial Retirement (Draw Down)

5.5.1 Partial retirement enables members who have reached minimum pension age to take all or part of their pension whilst continuing to work.



5.5.2 Members may draw down between 20 per cent and 100 per cent of their pension benefits in one or two payments, without having to leave employment.

5.5.3 Members must reduce their **pensionable pay** by at least 10 per cent before taking partial retirement. This reduction must last at least a year or the member will cease to be eligible for the pension they have drawn down. – see Appendix 5 for more information on these regulations.

5.5.4 After taking partial retirement, members may choose to build up further pension in the 2015 Scheme for a comfortable retirement and may help bridge any gap between taking their NHS Pension and State Pension benefits.

5.5.5 Partial retirement enables employers to retain experienced colleagues. However, with partial retirement, the employee does not end their contract of employment or have a break in service in order to take their pension benefits.

Members also have more flexibility to choose to take some or all of their benefits.

- 5.5.6 Partial retirement can be used to support individuals affected by annual allowance charges, as the ability to take all or part of their pension and continue working may help some staff to control their pension growth.
- 5.5.7 All requests for partial retirement will be carefully considered and not unreasonably refused.
- 5.5.8 The Manager will need to consider and make a decision on whether the service can accommodate the 10 percent reduction of pensionable pay for the individual. Typically this will take the form of a reduction of hours which can be considered in its own right.
- 5.5.9 If this reduction can not be accommodated, then the employee will need to decide whether to retire and apply to a new substantive post after their retirement (see retire and return above) or not retire at the current time. Manager's decisions on whether reductions of pensionable pay can be accommodated will be based on service need, are final and there is no right of appeal against this decision.

5.6 Step Down

- 5.6.1 This enables employees who would like to give up the pressure and responsibilities of their current role to "Step down" into a less demanding and lower graded post, which still makes use of their skills and experience whilst remaining in NHS employment and without accessing their NHS Pension.
- 5.6.2 Employees who have 1995 Section benefits can opt to apply for "Voluntary Protection of Pay" which may be available if their pay decreases by at least 10%.



5.7 Wind Down

- 5.7.1 This enables employees to remain in their current post but reduce the number of hours or days per week they work without accessing their NHS Pension.
- 5.7.2 As final salary pensions (1995 Section and 2008 Section) are calculated on whole time equivalent rather than actual salary, this would have no effect on the amount of pension payable upon retirement. As these Sections of the NHS Pension Scheme are now closed, this no longer impacts the accrual rate of years of service.
- 5.7.3 For the 2015 Scheme, employees would build up less career average pension benefits each year as they would be working less hours.



5.8 Ill Health Retirement

- 5.8.1 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.



5.9 **Redundancy / Organisational Change**

- 5.9.1 Early retirement may also apply in certain redundancy and organisational change situations. This will be discussed with you by Human Resources if relevant circumstances arise.



6.0 Retirement Application Process

- 6.1 Employees who wish to retire and begin drawing their pension must inform their line manager in writing at least 20 weeks prior to their intended retirement date.
- 6.2 The line manager should arrange to meet with the employee. During this meeting, they need to discuss the various retirement options and complete the necessary paperwork – as per table below. All forms are available on Staffnet.

Retirement Option	Paperwork Required
Normal Age Retirement	Age Retirement Application Form (H7AR) AND Termination of Employment Form (H5)
Voluntary Early Retirement	Age Retirement Application Form (H7AR) AND Termination of Employment Form (H5)
Retire and Return	Retire and Return Retirement Application Form (H7RR) AND Termination of Employment Form (H5)
Partial Retirement	Partial Retirement (Draw Down) Application Form (H7PR) AND Change of Circumstances Form detailing the contractual reduction in pensionable pay (H2)
Step Down	Change of Circumstances Form (H2) - (no access to NHS Pension)
Wind Down	Change of Circumstances Form (H2) - (no access to NHS Pension)
Ill Health Retirement	Should be actioned in conjunction with the HR Advisory Team, as medical approval is required from NHS Pensions prior to processing.

- 6.3 To assist in the decision-making process a comparison of the Retire and Return and Partial Retirement options is set out below:

Retire and Return	Partial Retirement
Members must leave all assignments to claim their NHS Pension benefits	Members can continue to work whilst taking their NHS Pension benefits
Re-employed on a new Contract of Employment after a break of 14 calendar days	Contract of Employment continues without a break
No limit as to the number of hours that can be worked when returning to NHS Employment (until March 2025)	Must reduce pensionable pay by a minimum of 10% from day after retirement and remain reduced for at least 12 months
No rights to the post planning to return to. It must be authorised through relevant workforce expenditure controls the Trust has in place and the employee will need to apply for the role through competitive process with the role advertised in line with current recruitment guidelines.	Managers will need to decide whether the reduction of pensionable pay can be accommodated or not. The reduction of pensionable pay is a permanent change. If after 12 months the employee wants to increase their pensionable pay, this needs to follow relevant workforce expenditure controls the Trust has in place
Members must take all of their NHS Pension Benefits in a particular Scheme at once	Members can take some or all of their NHS Pension benefits. From 20% to 100% of pensions benefits.
Contractually enrolled into 2015 NHS Pension Scheme when returns to work where meet eligibility criteria for this scheme	Continues contributions into 2015 NHS Pension Scheme (minimum of one calendar day immediately following retirement).
Further information on retire and return can be found at Re-employment NHSBSA	Further information on partial retirement can be found at Partial retirement NHSBSA

- 6.4 **The manager and employee must ensure that all annual leave it taken prior to the termination date.** Any overtaken or undertaken annual leave at date of retirement will impact the retirement date and any other associated dates and may result in the retirement process having to be restarted.
- 6.5 Once complete the line manager must forward the forms specified above to lpt.hrinputting@nhs.net or lpt.medicalstaffing@nhs.net.
- 6.6 Employee Services / Medical Staffing will write to the employee to acknowledge receipt of their request to retire. The letter, which will be emailed to the employee, will include:
- Confirmation of date of retirement
 - NHS Pensions Retirement Guide
 - An Application for Retirement Benefits Form (AW8)
 - An AW8 Checklist

- A Partial Retirement Supplementary Form (if applicable)
- Details on who can validate relevant certificates.
- Details on where the completed form should be returned to in hard copy.
- Details about any gift entitlement (if applicable)
- Information about the Trust's Planning for Retirement course
- Information about the NHS Retirement Fellowship.

A copy of the letter will also be sent to the Line Manager.

6.7 Employee Services / Medical Staffing will send a copy of the Staff Notification of Retirement Form (H7) to the Trust's Payroll and Pensions Provider for information. At the same time, they will, if applicable, process the Termination Form (H5) or Change of Circumstances Form (H2), so that the Payroll and Pensions Provider will have all of the information to hand once the individual has returned their Application for Retirement Benefits Form.

6.8 Individuals must ensure that their Application for Retirement Benefits Form (AW8) etc is returned to the Trust's Payroll and Pensions provider no later than 15 weeks prior to retirement. This allows sufficient time for their application to be processed and sent to NHS Pensions 13 weeks prior to retirement (NHS Pensions deadline) – see timeline over on Page 16.

6.9 **For Individuals Who are Retiring and Returning to LPT Employment**

6.9.1 In all cases, in order to break the continuity of employment the Trust requires employees to take a **minimum 14-day unpaid break between retirement and re-engagement**. In order to avoid any doubt this applies to permanent (without limit) contracts, fixed term contracts, and bank agreements. During this 14 day break the employee must not be in receipt of paid annual leave.

6.9.2 Please note this break applies to the employees' contractual relationship with the Trust. It is different and separate from the breaks described in the NHS Pension Scheme, which outlines a minimum break of 24 hours to be taken to avoid pension payments being suspended. In all cases the unpaid break stated above must be taken prior to re-engagement.

6.9.3 Breaking the continuity of employment means that an employee on return must serve a further two years to accrue their statutory employment rights under the Employment Rights Act 1996 and a minimum of 104 weeks continuous service to be eligible for statutory and occupational redundancy payments or, Mutually Agreed Resignation Scheme payments. Any future pay protection scenarios will only be calculated using the service post-retirement.

6.9.4 On returning to work the following will apply:

- a new contract of employment will be issued.
- new assignment number will be given to the employee.
- their continuous service date will be the date they returned to work.
- annual leave entitlement will be recalculated on the basis on the new hours but will be based on the same length of service as it was prior to retirement.

- sickness entitlements will remain the same as they were prior to retirement as long as the break in service is for less than 12 months, they will not be reset to the same as a new starter.
- a new identity badge will need to be issued if there is a change in job title.
- if the employee is under the state retirement age, they will be enrolled into the 2015 NHS Pension Scheme where they meet the scheme rule eligibility.

6.9.5 .If staff are planning to return over 3 months after their retirement date, from a recruitment checks point of view they will be treated as an external candidate and full recruitment checks will apply.

If an individual has secured a new role to return to after their retirement, this will be dealt with by the recruitment team.

6.9.6 The Employee Resourcing Team will be responsible for the recruitment of the individual back into the Trust's employment, including recruitment checks, issuing of new contract and payroll forms. Individuals wishing to return following retirement must pro-actively engage in the recruitment process. Starting work after retirement may be delayed if the individual has not engaged in the process in a timely manner.

6.10 Partial Retirement - Achieving the 10% Reduction in Pensionable Pay

6.10.1 To take Partial Retirement, employees must reduce their pensionable pay by at least 10 per cent for 12 months compared to their pensionable pay in the 12 months immediately prior to taking partial retirement. After the 12 month period there is no limit to pensionable pay that can be earned



Notes

- Forms received by the NHS Pensions Agency less than 13 weeks prior to Retirement are not guaranteed to be paid on time.
- NHS Pensions statutory targets are payment of lump sum within 30 calendar days of the date of your retirement, subject to them receiving the information 13 weeks prior to your retirement date.

6.10.2 If the employee and the Manager are unable to identify and agree a way of contractually reducing pensionable pay by at least 10%, the employee will not be able to take partial retirement but can instead request to retire and then apply to a role to return after their retirement.

6.10.3 The NHS Pension Scheme regulations define pensionable pay as follows:

- All basic pay.
- Other regular payments, such as enhancements for working unsocial hours and on-call availability payments; and
- Overtime payments for part-time employees up to full-time hours per week.

6.10.4 Non-pensionable payments include:

- Bonuses.
- Non-regular payments.
- Payments made to cover expenses.
- Overtime payments for full time employees.
- Additional programmed activities (APAs) which exceed the standard contractual limit of 10; and
- Pay awards or increases which are expressed by the Secretary of State to be nonconsolidated.

6.10.5 If you are unsure if a payment is pensionable or non-pensionable, please check your payslip. Any payments that are non-pensionable will be marked “NP” in the name of the payment.

6.10.6 It is important that both the manager and employee takes the above into account when agreeing at least a 10% reduction in pensionable pay for at least 12 months. A further reduction in pensionable pay will not affect an individual's entitlement to partial retirement.

6.10.7 Managers and employees should also be aware that a request to work additional hours that are pensionable or shifts that attract enhancements could mean that an individual breaches their 10% reduction target, and therefore will have their pension benefits in payment either reduced or stopped until such time as they reduce their pensionable pay again. Therefore, it is imperative that both employees and managers are mindful of this when agreeing the initial reduction and any changes to working patterns/hours post partial retirement.

6.11 Partial Retirement – Considerations when Deciding How Much Pension to Take

6.11.1 Employees who choose Partial Retirement can take between 20% and 100% of their pension benefits.

6.11.2 They are not able to choose which scheme they take their benefits from. The chosen percentage is applied sequentially across all of the individual's benefits in the NHS Pension Scheme. This means that an individual effectively takes or uses up their 1995/2008 scheme benefits first followed by their 2015 scheme benefits.

6.11.3 Individuals are not able to take their lump sum separately from their pension. Taking partial retirement involves claiming a proportion of their pension and any lump sum associated with that pension.

6.11.4 Modelling tools are available on the NHS Pensions website to support individuals to decide how much pension they wish to take.

6.11.5 Where applicable, individuals should consider the interaction with the McCloud remedy. Further information can be on the NHS Pensions website at [Partial retirement | NHSBSA](#). Failure to consider the interaction between partial retirement and the McCloud Remedy could affect an individual's personal tax position, their final salary link and could result in overpayment of their lump sum, which may be required to be paid back to the scheme.

6.12 Staff in NEST pension scheme. 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.

7.0 Retirement Gifts

7.1 When an employee retires, they have often given a significant period of their life to their NHS employer. In recognition of the service they have given, retirement gifts will be allocated on the basis of their aggregated NHS service.

7.2 Aggregated service refers to the total amount of NHS service even where there has been a break in service but will exclude any employment taken into account for a redundancy or other loss of office payment. Service shall be counted on a date-to-date basis and shall be added together to make complete years. Eligibility under this paragraph will only be for the total amount of complete years. For example 20 years and 40 days will meet the criteria for a gift, but 19 years and 300 days will not. The criteria to qualify for gifts are outlined below.

7.3 Service through 'the bank' is not recognised for the purposes of calculating length of service.

7.4 In situations where it is not possible to verify the aggregated service through internal records, e.g., personal file, then the employee will need to provide appropriate evidence.

7.5 The award will be made when an employee retires voluntarily or is retired on health grounds. If an individual has opted to partially retire, or has secured a post to return to after their retirement, they will receive their award when they finally leave the employment of the Trust.

7.6 The gift/award will take the form of vouchers (which may be used in a wide range of retailers) to the values listed below:

0-19 years no entitlement to a gift

20-29 years £200

30-39 years £250

40+ years £300

- 7.7 Vouchers received by employees with more than 20 years' service are not taxable in line with Inland Revenue arrangements.
- 7.8 Vouchers will be ordered centrally by Human Resources and will be delivered in the month of retirement directly to the employee's home address.
- 7.9 Managers must ensure that they provide an appropriate budget code for the vouchers to be charged to on the Staff Notification of Retirement Form (H7).
- 7.10 Additional items such as flowers, cakes etc will not be funded. Any such purchases will be made from voluntary contributions from colleagues.

8.0 Planning For Retirement

- 8.1 To assist employees with keeping their retirement plans on track, a "Planning for Retirement" course is available which encourages a positive and realistic approach to a financially secure retirement and enables individuals to make informed choices about their retirement plans.
- 8.2 The course is aimed at all employees considering retirement or for those who have just started thinking about retirement plans.
- 8.3 The learning objectives are:
 - Explore changes in lifestyles.
 - Identify where income is expected to come from and how it is taxed differently in retirement.
 - Understand the State Pension and different types of workplaces pensions.
 - Learn about the risk and reward involved in savings and investments.
 - Discover why increased life expectancy escalates the dangers of inflation and how to combat it.
 - Find out how to ensure your estate is passed to your intended beneficiaries.
 - Understand Inheritance Tax; and
 - Understand the next steps and where to receive further guidance and regulated financial advice.
- 8.4 Employees interested in attending should discuss it with their line manager in the first instance.
- 8.5 Courses are run once a month via MS Teams and last for 2.5 hours. Places should be booked via uLearn.

9.0 NHS Retirement Fellowship

9.1 The NHS Retirement Fellowship is a registered charity for retired NHS and social care staff, providing a bridge between life in employment and new opportunities in retirement.



9.2 Members enjoy a range of activities and interests meeting former colleagues, making new friends and participating in a variety of events. Members benefit from a number of various discounts including cruises, holidays and annual worldwide travel, home and car insurance.

9.3 Further information can be obtained through the Fellowship's website [here](#)

10.0 Monitoring Compliance And Effectiveness

Page / Section	Minimum Requirements to monitor	Process for Monitoring	Responsible Individual /Group	Frequency of monitoring
1	Number of Staff Retiring by Category, i.e., age, retire and return, partial, ill health	Review of Numbers	SWG	annually
2	Number of Staff Retiring by Band	Review of Numbers	SWG	annually
3	Number of Staff Retiring by Age	Review of Numbers	SWG	annually

11.0 Standards/Performance Indicators

TARGET/STANDARDS	KEY PERFORMANCE INDICATORS
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

12.0 References And Bibliography

The policy was developed with reference to the following:

- NHS Pension Website: <https://www.nhsbsa.nhs.uk/nhs-pensions>
- NHS Employers Website: [Using flexible retirement to support retention | NHS Employers](#)
- Planning for Retirement Agenda – Affinity Connect

- Flexible Retirement Procedure – September 2023 V2 – Lincolnshire Partnership NHS Foundation Trust.

Appendix 1 Training Requirements

There is no training requirement identified within this policy.

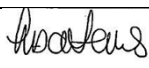
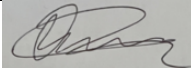
Appendix 2 The NHS Constitution

- The NHS will provide a universal service for all based on clinical need, not ability to pay.
- The NHS will provide a comprehensive range of services.

Shape its services around the needs and preferences of individual patients, their families and their carers	☐
Respond to different needs of different sectors of the population	☐
Work continuously to improve quality services and to minimise errors	☐
Support and value its staff	☒
Work together with others to ensure a seamless service for patients	☐
Help keep people healthy and work to reduce health inequalities	☐
Respect the confidentiality of individual patients and provide open access to information about services, treatment and performance	☐

Appendix 3 Due Regard Screening Template

Section 1	
Name of activity/proposal	Retirement Policy and Procedure
Date Screening commenced	22 September 2023
Directorate / Service carrying out the assessment	Human Resources
Name and role of person undertaking this Due Regard (Equality Analysis)	Lisa Laws Human Resources Manager Employee Services
Give an overview of the aims, objectives and purpose of the proposal:	
AIMS: This policy describes the process to be followed by employees wishing to retire, including flexible retirement options. It also provides general guidance on retirement for employees and managers.	
OBJECTIVES: To provide clear guidance to ensure that line managers apply this policy fairly and consistently across the Trust and where applicable in line with NHS Pensions Regulations.	
Section 2	
Protected Characteristic	If the proposal/s have a positive or negative impact please give brief details
Age	By definition, a Retirement Policy has a positive impact on the older workforce as the majority of staff looking to retire will be aged 55 plus.
Disability	The policy aims to provide clear and consistent guidance to all staff irrespective of their protected characteristic.
Gender reassignment	As above
Marriage & Civil Partnership	As above
Pregnancy & Maternity	As above
Race	As above
Religion and Belief	As above
Sex	As above
Sexual Orientation	As above
Other equality groups?	As above
Section 3	
Does this activity propose major changes in terms of scale or significance for LPT? For example, is there a clear indication that, although the proposal is minor it is likely to have a major affect for people from an equality group/s? Please <u>tick</u> appropriate box below.	
Yes	No
High risk: Complete a full EIA starting click here to proceed to Part B	Low risk: Go to Section 4. √
Section 4	
If this proposal is low risk please give evidence or justification for how you reached this decision:	

By definition, a Retirement Policy has a positive impact on the older workforce as the majority of staff looking to retire will be aged 55 plus. However, it does not have a positive or negative impact on any other protected characteristic. The Policy's aim is to ensure that all staff are treated the same.			
Signed by reviewer/assessor		Date	22 September 2023
Sign off that this proposal is low risk and does not require a full Equality Analysis			
Head of Service Signed		Date	10 October 2023

Appendix 4 Data Privacy Impact Assessment Screening

Data Privacy impact assessment (DPIAs) are a tool which can help organisations identify the most effective way to comply with their data protection obligations and meet Individual's expectations of privacy. The following screening questions will help the Trust determine if there are any privacy issues associated with the implementation of the Policy. Answering 'yes' to any of these questions is an indication that a DPIA may be a useful exercise. An explanation for the answers will assist with the determination as to whether a full DPIA is required which will require senior management support, at this stage the Head of Data Privacy must be involved.			
Name of Document:	Retirement Policy and Procedure		
Completed by:	Lisa Laws		
Job title	Human Resources Manager, Employee Services	Date: 22 September 2023	
Screening Questions	Yes / No	Explanatory Note	
1. Will the process described in the document involve the collection of new information about individuals? This is information in excess of what is required to carry out the process described within the document.	Yes	This information is being collected to enable the processes described within to be carried out	
2. Will the process described in the document compel individuals to provide information about them? This is information in excess of what is required to carry out the process described within the document.	No	Not in excess of what is required to carry out the process described within the documented	
3. Will information about individuals be disclosed to organisations or people who have not previously had routine access to the information as part of the process described in this document?	Yes	There is a requirement to provide additional information, such as bank details to NHS Pensions to enable them to pay an individual their pensions and lump sums	
4. Are you using information about individuals for a purpose it is not currently used for, or in a way it is not currently used?	Yes	Bank details to enable payment of Pensions by NHS Pensions	
5. Does the process outlined in this document involve the use of new technology which might be perceived as being privacy intrusive? For example, the use of biometrics.	No		
6. Will the process outlined in this document result in decisions being made or action taken against individuals in ways which can have a significant impact on them?	No	As the individual is the one making decision about when to retire	
7. As part of the process outlined in this document, is the information about individuals of a kind particularly likely to raise privacy concerns or expectations? For examples, health records, criminal records or other information that people would consider to be particularly private.	No		

8. Will the process require you to contact individuals in ways which they may find intrusive?	No	
If the answer to any of these questions is 'Yes' please contact the Data Privacy Team via Lpt-dataprivacy@leicspart.secure.nhs.uk In this case, ratification of a procedural document will not take place until review by the Head of Data Privacy.		
Data Privacy approval name:	Hannah Plowright	
Date of approval	11/10/2023	

Acknowledgement: This is based on the work of Princess Alexandra Hospital NHS Trust

Appendix 5 Age Retirement Application Forms

The forms that staff need to access to initiate their chosen form of retirement can be found on the staffnet page:

<https://staffnet.leicspart.nhs.uk/your-working-life/your-pay-matters/payroll-forms/>

Appendix 6 Retire and Return Retirement Application Form

Appendix 7 Partial Retirement (Draw Down) Application Form
