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 and the processes to follow for employees and managers.

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Policy on a page

Please note that this is designed to act as a quick reference guide only and is not intended to replace the need to read the full policy.

Summary and aim

The purpose of the policy is to give information and guidance to managers and employees about retirement. The Policy describes the options available to employees wishing to consider retirement, including flexible retirement options as well as explaining the processes and timelines to be followed by both managers and employees when an employee decides to retire.

Target audience

The Policy applies to all employees and bank workers of Leicestershire Partnership Trust. This policy does not apply to those staff on secondment from other organisations or agency staff working within the Trust.

Training

The Human Resources team will provide guidance and support to managers at all stages of the application of this policy, ensuring consistent and fair implementation.

Key requirements

- Employee advises manager they are thinking of retiring
- Managers and employee meet to discuss retirement options in line with the Policy, including:
    - Normal age retirement
    - Voluntary early retirement
    - Retire and return
    - Partial retirement
    - Step down
    - Wind down
    - Ill Health Retirement (in conjunction with the HR Advisory Team)
    - Redundancy / Organisational Change (in conjunction with the HR Advisory Team)
- Once decision taken, manager and employee completes relevant Trust forms and submits to lpt.hrinputting@nhs.net at least 20 weeks prior to date of retirement.
- Human Resources will issue employee with a Retirement Pack
- Employee completes and returns form(s) in the Retirement Pack to the Trust's Pensions Team no later than 15 weeks prior to retirement.
- The Trust's Pensions Team will process the form(s) and send the relevant information electronically to NHS Pensions.
- NHS Pensions will process the retirement will write to the employee within 30 calendar days of the date of retirement to confirm details of their pension, lump sum (if applicable) and date they should expect to receive their pension each month.

- NHS Pensions instigate payment.

Introduction

2.1 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.

2.2 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.

2.3 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.

2.4 The Policy applies to all employees and bank workers of Leicestershire Partnership Trust. This policy does not apply to those staff on secondment from other organisations or agency staff working within the Trust.

2.5 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.

2.6 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).

Purpose

3.1 The purpose of the policy is to give information and guidance to managers and employees about retirement.

3.2 The Policy describes the options available to employees wishing to consider retirement, including flexible retirement options.

3.3 The policy explains the processes and timelines to be followed by both managers and employees when an employee decides to retire

3.4 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.

4.0 Roles and Responsibilities

4.1 **Group Chief People Officer will have the responsibility for ensuring that:**

4.1.1 The policy is implemented appropriately and that outcomes are monitored to ensure that there is no bias, in accordance with the Trust's Equality, Diversity and Inclusion Policy; and

4.1.2 The policy is revised as a result of changes in law or in the light of experience when applying this policy.

4.2 **Directors will have responsibility 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 will have responsibility 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.

4.3.6 For eligible employees, arranging the purchase of a retirement gift/vouchers and ensuring that receipts are retained for 7 years for auditing purposes.

4.4 **Human Resources Department will have responsibility 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 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)/Future Workforce Solution is updated and amended accordingly to ensure correct payment and ensuring this is communicated to the Payroll Team in a timely manner; and

4.4.5 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).

4.5 **Trust's Pensions Team 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 submitted to NHS Pensions by their deadline.

4.6 **Employees are responsible for:**

4.6.1 Giving the appropriate notice of their intention to retire to their manager and providing information about the route they have opted to take.

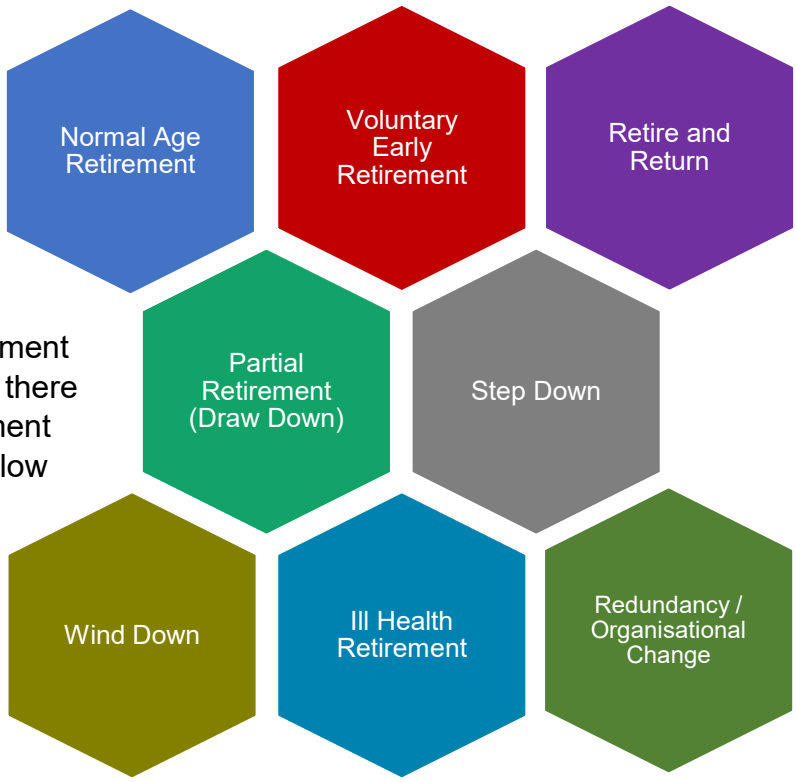
4.6.2 Completing and submitting their notification of intention to retire form in conjunction with their line manager approximately 20 weeks prior to retirement – see Appendix 1 – Retirement Process Flowchart (page 21).

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 Pensions Team in a timely manner; and

4.6.4 Making themselves aware of and adhering to this policy.

5.0 Retirement Options

Unless specifically stated, these options are available for members of both the 1995/2008 NHS Pension Scheme and the 2015 NHS Pension Scheme.



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.

Where mutually agreeable to the organisation and staff, they can reduce their work commitments 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 5.2.3 and 5.2.4 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 and Health Visitors who were members of the 1995 Section of the NHS Pension Scheme before 6 March 1995 may have Special Class Status. This is governed by NHS Pensions rules, rather than Trust policy. 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. This is governed by NHS Pensions rules, rather than Trust policy.

5.3 Voluntary Early (before normal retirement age) Retirement



5.3.1 Employees who have reached the Minimum Pension 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 pension age for employees in the **1995 Section** of the NHS Pension Scheme is currently 50 if you joined before 6 April 2006. If you joined the 1995 section on or after 6 April 2006 your minimum pension age is currently 55.

5.3.3 Minimum pension age for employees in the **2008 Section** of the NHS Pension Scheme is currently 55.

5.3.4 Minimum pension age for employees in the **2015 NHS Pension Scheme** is currently 55.

5.3.5 Please note that minimum pension age will increase to 57 from 6 April 2028 for those without a protected pension age. Further information on how this will impact current minimum pension ages will be published on the NHS Pensions website in due course.

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 5.4.2).

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, including 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;
- Such authorised posts will be first considered in line with Trust processes relating to other employees seeking redeployment within the Trust due to being at risk of redundancy, ill health, capability etc before they are released for anyone to apply to;
- 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 ; and
- If necessary, that the retiring employee's flexible working request can be accommodated in terms of hours of work and working pattern.

5.4.3 Retired NHS employees who are appointed to a **new post in LPT must have a minimum 14-day unpaid break in employment 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.

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

5.4.5 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.

5.4.6 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.

5.4.7 Line managers are responsible for ensuring that all Retire and Return arrangements are managed in accordance with this Policy, NHS Pension Scheme requirements, and Trust recruitment and workforce governance processes. Managers must not authorise, arrange, or facilitate the return of a retired employee to any substantive post without going through the above steps.

5.4.8 Managers who fail to comply with this Policy will be required to account for their decision-making and may be subject to management review, audit scrutiny, and, where appropriate, formal action under the Trust's relevant policies and procedures. Repeated or deliberate breaches may be treated as misconduct.

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 upon taking partial retirement. NHS Pensions Regulations state the reduction must last at least a year or the member will cease to be eligible for the pension they have drawn down. However, from a Trust policy perspective, any reduction in hours or band will be considered by the Trust as permanent and if after 12 months should the employee wish to return to their previous hours/ that this will need to go through the relevant workforce control processes in place at the time. If after 12 months the employee wishes to increase their band, then they will need to apply to an advertised post and go through normal recruitment process.

5.5.4 After taking partial retirement, members will continue to build up further pension in the 2015 Scheme.

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 their benefits.

5.5.6 All requests for partial retirement will be carefully considered and not unreasonably refused.

5.5.7 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.

5.5.8 However, if the employee wishes to achieve the 10% reduction in pensionable pay through moving to a lower banded role, they will need to apply and be successful in an open competitive recruitment process.

5.5.9 If this reduction cannot 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, done within the approval processes in place at the time. Individuals may request a review of the decision, where they feel that it has not been given due consideration. The Review will be undertaken by the Head of Service, whose decision is final.

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 will need to apply and be successful in an open competitive recruitment process for the role they want to step down into.

5.6.3 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 normal pension age for the scheme(s) they are in if they are certified as being permanently incapable of carrying out efficiently the duties on which they are employed because of illness.

5.8.2 Ill health retirement has a two-year qualifying service.

5.8.3 Being ineligible to apply for ill health retirement in one scheme does not preclude an application relating to another scheme. For example – an individual who is 63 and in both the 1995 and 2015 pension scheme. This colleague cannot apply for ill health retirement from the 1995 as over pension age for this scheme but is able to apply for ill health retirement from the 2015 scheme as under the pension age for this scheme.

5.8.4 All ill health retirements must be approved by NHS Pensions. Please see the Attendance Management and Wellbeing Policy and Procedure 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.

5.9.2 This excludes any Mutually Agreed Resignation Schemes (MARS) as employees are not being made redundant under MARS as they are leaving voluntarily.

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. The full retirement process timeline is set in Appendix One on page 21.

6.2 The line manager should arrange to meet with the employee. During this meeting, they need to discuss the various retirement options as detailed in Section 5 of this Policy.

6.3 Once a decision on retirement route has been agreed, the line manager and the employee should complete the necessary paperwork as per table below:

Retirement Option	Paperwork Required
Normal Age Retirement	Age Retirement Application Form (H7AR) AND Leaver Form (H5)
Voluntary Early Retirement	Age Retirement Application Form (H7AR) AND Leaver Form (H5)
Retire and Return	Retire and Return Retirement Application Form (H7RR) AND Leaver Form (H5)
Partial Retirement	Partial Retirement (Draw Down) Application Form (H7PR) AND the appropriate Change of Circumstances Form dependent on how the contractual reduction in pensionable pay will be achieved. • For a reduction in hours - Change of Circumstances Form – Controlled Changes (H2Controlled) • For a reduction in band - Change of Circumstances Form – Workforce Control Approval Previously Received (H2REC)
Step Down	Change of Circumstances Form – Controlled Changes (H2Controlled) - (no access to NHS Pension)
Wind Down	Change of Circumstances Form – Controlled Changes (H2Controlled) - (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.

6.4 All forms are available on Staffnet via the following link:

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

6.5 Please note that the completion and submission of Leaver Form (H5) as part of this process constitutes a resignation from the Trust and cannot normally be retracted. Any request to retract the retirement/termination will need Executive Director approval.

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

Retire and Return	Partial Retirement
Members must leave all assignments to claim their NHS Pension benefits. All of their Contracts of Employment/Worker agreements end.	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	Must reduce **pensionable pay** by a minimum of 10% from day after retirement and remain reduced for at least 12 months for pensions payment purposes
No automatic rights to the post planning to return to. It must be authorised through relevant workforce expenditure controls the Trust has in place at the time of retirement and the employee will need to apply for the role through a competitive recruitment 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. Under Trust policy, 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

6.7 **Where the employee's contract ends, the manager and employee must ensure that all annual leave is taken prior to the termination date**. It is not possible to carry annual leave between employment contracts. Managers must ensure that the entitlement to leave is prorated to the period worked in the financial year up to date of retirement in line with the Trust's Annual Leave and General Public Holiday Policy.

6.8 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 and a potential underpayment/overpayment of pension and/or lump sum for the employee.

6.9 If the employee is returning to work, their new Contract of Employment will specify their leave entitlement from the date they commence this new employment contract.

6.10 Once complete the line manager must forward the forms specified above to lpt.hrinputting@nhs.net or lpt.medicalstaffing@nhs.net depending on the workforce the employee works in.

6.11 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.

6.12 Managers and employees should refrain from downloading retirement forms directly from the NHS Pensions website. Any forms downloaded and submitted directly to NHS Pensions will be returned to the Trust by NHS Pensions pending completion of our internal processes.

6.13 Employee Services / Medical Staffing will send a copy of the Staff Notification of Retirement Form (H7) to the Trust's Pensions Team for information. At the same time, they will, if applicable, process the Leaver Form (H5) or Change of Circumstances Form (H2), so that the Payroll and Pensions Teams will have all of the information to hand once the individual has returned their Application for Retirement Benefits Form (AW8).

6.14 Individuals must ensure that their Application for Retirement Benefits Form (AW8) etc is returned to the Trust's Pensions Team 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 in Appendix One on page 21.

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

6.15.1 In all cases, in order to break the continuity of employment the Trust requires employees to take a **minimum 14-day unpaid break in employment 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.

6.15.2 Please note this break applies to the employee's 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 the new period of employment.

6.15.3 Breaking the continuity of employment means that an employee's continuous service will restart and will need to serve 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 in this new period of employment.

6.15.4 If an employee has secured a new role to return to after their retirement, this will be dealt with by the Employee Resourcing Team. 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 any other relevant paperwork. 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.

6.15.5 If an employee is 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.

6.15.6 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.
- they will be enrolled into the 2015 NHS Pension Scheme where they meet the scheme rule eligibility.

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

6.16.1 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. From an NHS pensions perspective, the reduction must last at least a year or the member will cease to be eligible for the pension they have drawn down. In relation to the employee's pension, after the 12-month period there is no limit to pensionable pay that can be earnt.

6.16.2 Please note that any reduction in hours or band will be considered by the Trust as permanent. If after 12 months the employee wishes to return to their previous hours/band that this will need to go through the relevant workforce control and recruitment processes in place at the time.

6.16.3 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 to after their retirement.

6.16.4 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.

6.16.5 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.

6.16.6 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.

6.16.7 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.

6.16.8 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.

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

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

6.17.2 They are not able to choose which scheme they take their benefits from. The chosen percentage is applied sequentially across all 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.

6.17.3 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.

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

6.17.5 Where applicable, individuals should consider the interaction with the McCloud remedy. Further information can be found 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.

6.18 Staff in National Employment Savings Trust (NEST) Pension Scheme.

6.18.1 Employees who are members of the NEST Pension Scheme, will need to contact NEST directly to access their NEST Pension and can find the scheme rules for this scheme on the NEST website.

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 based on their aggregated NHS service subject to a minimum of 20 years to comply with HMRC regulations in relation to taxation of long service gifts.

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 considered for a redundancy, Mutually Agreed Resignation Schemes (MARS) 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 either a gift (chosen by the individual) or vouchers 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 Retirement gifts and vouchers (which must not be a voucher that can be exchanged for cash) received by employees with more than 20 years' service are not taxable in line with HMRC arrangements. Under no circumstances can the employee receive a cash gift.

7.8 Managers will be responsible for sourcing the gift/vouchers picked by the employee who is retiring. This should be paid from their local budget and paid for via a Trust Purchasing Card.

7.9 Regardless of how many forms of retirement an employee goes through, they are only entitled to one gift at the end of their final period of substantive employment.

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

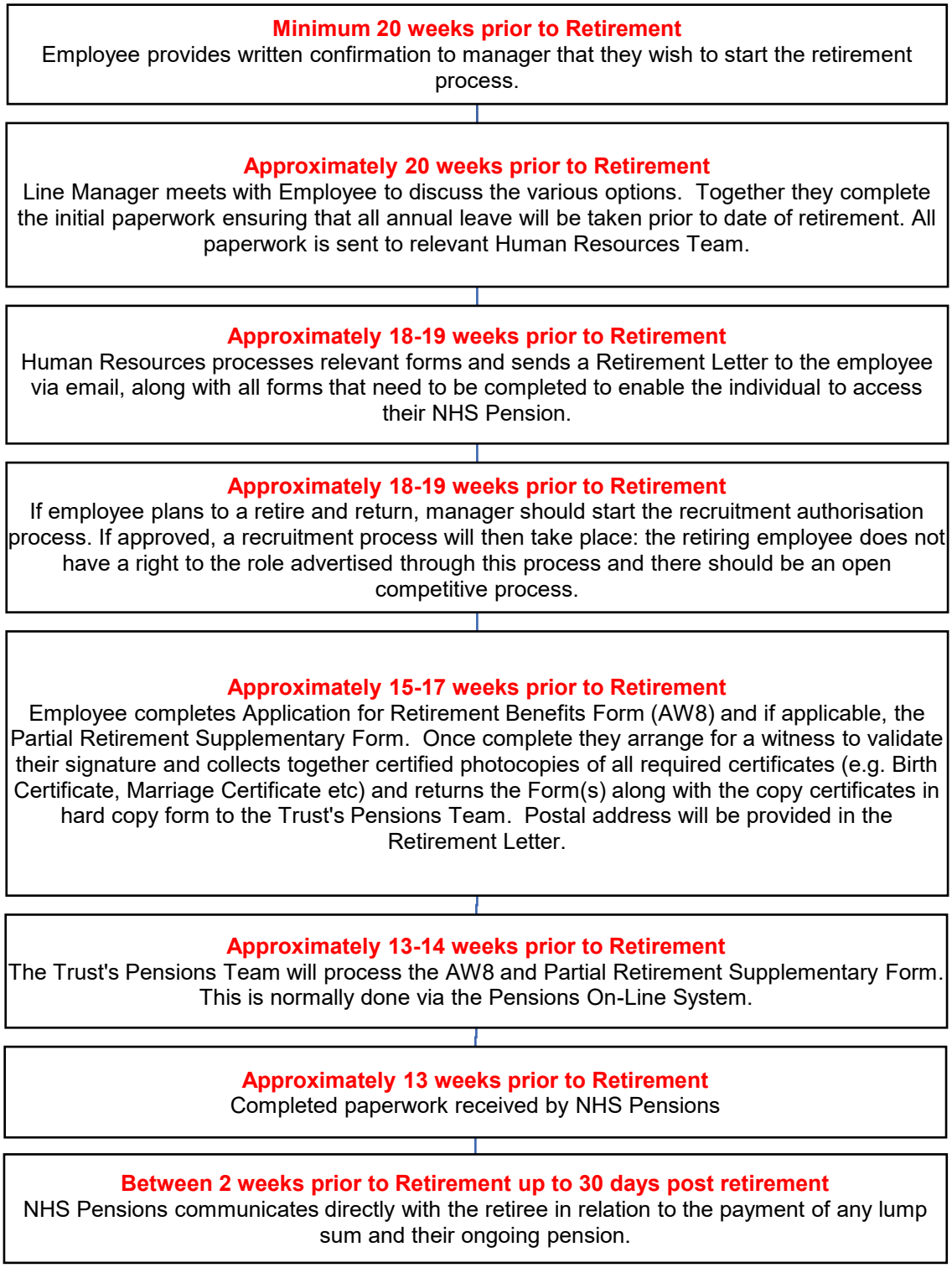
9.1 The NHS Retirement Fellowship is a registered charity for retired NHS and social care staff, providing a bridge between life in employment and new opportunities in retirement.

NHS Retirement Fellowship
Making your retirement work for you.

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

Appendix One: Retirement Process Flowchart



Notes

- Forms received by NHS Pensions 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.

Appendix Two: Definitions

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). See Section 5.2.4 above
Additional Programme Activities (APAs)	Medical Staff who are contracted to work additional sessions above full time, are paid Additional Programme Activities (APAs). One APA is equal to 4 hours. Full Time is equal to 10 Sessions.
MARS	Mutually Agreed Resignation Scheme, which may be offered by the Trust from time to time. Separate guidance on this scheme is available when in operation.
NEST Pension	NEST Pension is a pension operated by the National Employment Savings Trust. The Scheme is used by the Trust to comply with is Pensions Auto Enrolment legal requirements, when an individual is unable to join/rejoin the NHS Pension Scheme.
H7AR	Trust HR/Payroll form to be completed by the employee and line manager when an individual wishes to take Age Retirement. Must be submitted along with a H5 – Leaver Form (see below)
H7RR	Trust HR/Payroll form to be completed by the employee and line manager when an individual wishes to Retire and Return. Must be submitted along with a H5 – Leaver Form (see below) and recruitment must be undertaken via JobTrain to enable to employee to return.
H7PR	Trust HR/Payroll form to be completed by the employee and line manager when an individual wishes to Partially Retire. Must be submitted along with a H2Controlled (if the minimum 10% reduction in pensionable pay is being achieved via a reduction in hours) or a H2Rec (if the minimum 10% reduction in pensionable pay is being achieved via reduction in band).
H2 Controlled	Trust HR/Payroll Form – Change of Circumstances Form. This form is to be used for all changes that required approval through the Workforce Control process.
H2 Rec	Trust HR/Payroll Form – Change of Circumstances Form. This form is to be used all changes that have already been through a Workforce Control process, ie recruitment to a new role, redeployment etc.
H5	Trust HR/Payroll Form – Leaver Form. To be completed to ensure that staff are removed from the payroll in a timely manner and all monies

	owing to the employee / to the Trust are sorted at point of termination.

AW8	Retirement Benefits Claim Form issued by the Trust on behalf of NHS Pensions. Staff should refrain from downloading these from the NHS Pensions website. These will be issued to the employee upon receipt of one of the H7 forms in Human Resources.
McCloud Remedy	In 2015, the government changed most public service pension schemes, including the NHS Pension Scheme. These changes did not apply to members who were close to retirement. The Court of Appeal later found that this was unfair to younger members. The public service pension remedy, sometimes called the McCloud Remedy will: • give affected members a choice of whether they receive 1995/2008 Scheme or 2015 Scheme benefits for their service in the remedy period • move any service that affected members built up in the 2015 Scheme during the remedy period (1st April 2015 to 31 March 2022) back into the 1995/2008 Scheme.

Appendix Three: Governance

Version control and summary of changes

Version number	Date	Description of key change
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: "*If a person wishes to retire and return to <u>their</u> 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."*
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.
5.0	August 2026	Moved to new template Updated to reflect: • latest Workforce Control requirements • latest guidance on requests to retract notice • removed forms from policy • up to date form names and reference numbers and details of where to obtain the latest versions of the forms.

Responsibilities

Responsibility	Title
Executive Lead	Group Chief People Officer
Policy Author	Human Resources Manager – Employee Services
Advisors	Deputy Director of HR and OD
	Pensions Manager, Lincolnshire Partnership NHS Foundation Trust
Policy Expert Group	

Governance

Governance Level	Name
Level 1 Assurance Oversight	Joint People and Culture Committee
Level 2 Delivery Group for policy approval and compliance monitoring	Workforce Development Group
Consultation	Trust Policy Experts
	Staffside
	Staff Networks
	All LPT Employees Bands 7 and above

Compliance Measures

KPI (only need 1-2 KPI's per policy)	Where will this be reported and how often
Number of staff retiring per year by category, ie age retirement, retire and return, partial retirement, ill health retirement	Workforce Development Group - Annually
Number of Staff Retiring per year by Band	Workforce Development Group - Annually
Number of Staff Retiring per year by Age	Workforce Development Group - Annually

Training Requirements

There is no training requirement identified within this Policy.

References

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.