

Retirement Policy

HWHR16

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Author:	Amy Williams, Senior HR Advisor
Directorate Responsible:	Corporate Governance
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1. Introduction

- 1.1. This policy is designed to assist employees who are considering or have taken the decision to retire from service and outlines the options available and support that can be expected from management.
- 1.2. The Herefordshire and Worcestershire CCG is committed to ensuring that an effective, consistent, and fair procedure exists when colleagues are planning their retirement.
- 1.3. The CCG does not operate a compulsory retirement age. The decision about whether to retire is a matter for each individual employee. There is no mandatory retirement age, and all employees have a legal right to continue to work for as long as they wish and can do so. If an individual is not able to perform their duties to the required level, this will be dealt with via the Management of Performance at Work Policy. No dismissal will take place on the grounds of age.
- 1.4. Employees considering retirement are advised to check their financial position by using the NHS Pensions website before making a final decision – for further details see Appendix 4.

2. Equality Statement

- 2.1. Herefordshire and Worcestershire CCG aim to design and implement policy documents that meet the diverse needs of our services, population, and workforce, ensuring that none are placed at a disadvantage over others. It takes into account current UK legislative requirements, including the Equality Act 2010 and the Human Rights Act 1998, and promotes equal opportunities for all. This document has been designed to ensure that no-one receives less favourable treatment due to their personal circumstances, i.e. the protected characteristics of their age, disability, sex, gender reassignment, sexual orientation, marriage and civil partnership, race, religion or belief, pregnancy, and maternity. Appropriate consideration has also been given to gender identity, socio-economic status, immigration status and the principles of the Human Rights Act.
- 2.2. In carrying out its functions, Herefordshire and Worcestershire CCG must have due regard to the Public Sector Equality Duty (PSED). This applies to all the activities for which Herefordshire and Worcestershire CCG is responsible, including policy development, review, and implementation.

3. Scope

- 3.1. This policy applies to all employees of the Herefordshire and Worcestershire CCG.

4. Purpose and Principles

- 4.1. To outline a consistent approach and process to be followed for all employees planning to retire or requesting early or flexible retirement.
- 4.2. To ensure all employees retiring from the CCG are aware of the options available to enable them to make an informed choice about their retirement.

- 4.3. This policy aims to ensure a flexible, fair, and consistent approach is taken when employees approach their retirement and is intended to demonstrate the CCGs commitment to promoting age diversity in its workforce.

5. Definitions

- 5.1. **Normal (retirement) Pension Age (NPA)** is the age that an employee can retire from NHS employment and have their pension paid without reduction or enhancement. The actual age that applies to employees will depend on which section of the NHS Pension Scheme (if appropriate) they are in and their status. (Please refer to the NHS Pension Scheme Guide).
- 5.2. **Voluntary early retirement (VER)** occurs when an employee voluntarily chooses to resign from their position and retire before the Normal Pension Age. This includes staff who are members of the NHS Pension Scheme/Personal pension and who wish to retire once they have built up sufficient pension contributions, and anyone who wishes to retire early for other personal reasons.
- 5.3. **Planned retirement date** is either the 'Normal Pension Age' or the date at which an employee chooses 'voluntary early retirement'.
- 5.4. **Special Class status** e.g. Mental Health Officer (MHO) status, is provided by the NHS pension scheme for specific staff allowing them to retire at an early 'Normal Pension Age' (as defined in 5.1 above) without a reduction in pension benefit.
- 5.5. **Reckonable Service** means continuous full-time or part-time employment with the present or any previous NHS employer. This is service where an employee has completed two years' service and where there has not been a break of more than one week.
- 5.6. **Step down** is when staff can step down to a different role, for example, to reduce the level of responsibility while remaining in NHS employment.
- 5.7. **Wind down** is when staff can wind down to retirement by remaining in their current post but reduce the number of hours or days they work.
- 5.8. **Retire and return** is when staff can request to retire, claim their pension benefits and then return to NHS employment.
- 5.9. **Draw down** is when staff can take part of their pension benefits and continue in NHS employment. Only available in 2008 section and 2015 scheme.
- 5.10. **Late retirement enhancement** is when staff can retire later than their Normal Pension Age and have their pension benefits increased. Only available in 2008 section and 2015 scheme.
- 5.11. **Early retirement reduction buy out (ERRBO)** is when staff or employers can pay additional contributions to buy out the reduction applied to the member's pension if they retire before their Normal Pension Age. Only available in 2015 Scheme.

6. Roles and Responsibilities

6.1. Executive Directors' Responsibilities

- 6.1.1. Responsible for ensuring that promoting age diversity within the CCG.
- 6.1.2. Responsible for ensuring that the CCG applies safe employment practices through the application of robust policies.

6.2. Line Manager Responsibilities

- 6.2.1. Ensure they understand and correctly implement this procedure equally, fairly, and consistently to all employees.
- 6.2.2. Meet with employees requesting to retire to discuss their options.
- 6.2.3. Complete and return the Retire & Return Assessment Form (Appendix 3) and maintain records for monitoring purposes.
- 6.2.4. Notify the Payroll and Pensions Provider (sbs-s.pensions@nhs.net for Worcestershire CCG and mlcsu.employmentservices@nhs.net for Herefordshire CCG. Further contact details can be found in Appendix 4) and the Human Resources team of any retirements in order to ensure the necessary paperwork is completed in time (notification should be at least four months before the employee wishes to retire) or pension could be too late. Please refer to the Retirement Process flowchart (Appendix 1).
- 6.2.5. Maintain regular contact with the employee during the retirement process.
- 6.2.6. Ensure confidentiality is maintained at all times when operating this policy.
- 6.2.7. Consider the impact of retirement in light of workforce plans and succession planning.

6.3. Employee Responsibilities

- 6.3.1. Be familiar with and adhere to this procedure.
- 6.3.2. Inform their manager of their wish to retire in writing, ideally six months before, but no less than four months before their planned retirement date, ideally giving as much notice as possible to allow future planning by their Line Manager.
- 6.3.3. Provide adequate notice of their intention to ensure there is no delay in the payment of a pension.

6.4. Human Resources Responsibilities

- 6.4.1. Facilitate in matters pertaining to the retirement process.
- 6.4.2. Provide advice on the application of this policy to staff and managers.
- 6.4.3. Monitor this policy's effectiveness.

6.5. Payroll Provider

- 6.5.1. The Payroll Provider will ensure timely requests for pensions information and processing applications for retirement.

7. Procedure

- 7.1.** Early communication between an employee and their manager is an important prerequisite for effective retirement planning. The CCG's annual appraisal process provides the opportunity to explore employees future career plans, including retirement; discuss options for flexible retirement and its implications for the CCG; arrange appropriate help and support and plan accordingly for future recruitment needs.
- 7.2.** Employees considering retirement, at normal retirement age and especially flexible retirement/ retire and return should discuss their plans with their Line Manager at the earliest opportunity.
- 7.3.** When considering retirement options employees should bear in mind the potential impact on their pension and that NHS Pensions requires four months' notice of any request for payment of pension benefits.
- 7.4.** A meeting should take place as a two-way discussion exploring how the individual plans can be matched with the future needs of the service. The managing director must authorise any 'Retire and return' to a post which happen without a full recruitment process.
- 7.5.** Employees wishing to claim their NHS Pension must ensure they complete form AW8, available from the Payroll and Pension Provider.
- 7.6.** The Line Manager should ensure that the usual termination processes are followed, and that the Corporate Team are notified and receive the termination details via a completed Termination Form at least 4 months before the retirement date to allow time for the pension to be processed. This form is to be passed to the Payroll Provider for processing.
- 7.7.** The CCG encourages employees to prepare for their retirement both financially and personally and wishes to provide support to staff considering retirement. Appendix 4 provides further information and examples of bodies that provide retirement support.
- 7.8.** Section 9 details different types of flexible retirement that employees may explore and confirms the associated procedure for each option.
- 7.9.** For retire and return, a leaver's form will need to be completed in the normal way and the vacancy created will need to be approved in the normal way.
- 7.10.** All employees who return to work following retirement will then be engaged on a new employment contract. You may be subject to normal pre-employment checks and a starter form will need to be completed in the normal way.
- 7.11.** All employees returning to work following retirement will be expected to continue to discuss their future career plans and aspirations on an ongoing basis with their line manager.
- 7.12.** Once an employee retires and receives their pension benefits in relation to their NHS service, this service will no longer be counted as 'reckonable' for redundancy purposes. Where an employee takes their pension benefits and returns to work, reckonable service will begin from the date of return to employment after the break in service. All previous

reckonable service for purposes of annual leave and sickness absence entitlement will still be counted.

8. Retirement

- 8.1.** There are two NHS Pension Schemes; the first is split into two sections, the 1995 section and the 2008 section. The second scheme is the 2015 NHS Pension Scheme. There are differences between the two schemes and sections which determine the age at which an employee can retire with their pension benefits and determine their options for flexible retirement. It is therefore essential that an employee understands which scheme they are in when considering their retirement options.
- 8.2.** The schemes are subject to change therefore information in this policy may alter. Line Managers and employees should refer to the Payroll Provider and/or the NHS Pensions website for more information. Please see Appendix 4 for contact details.

9. Retirement Options

In addition to normal age retirement and VER (see section 10 below) there are 4 retirement options to consider as below:

- 9.1. Flexible retirement** provides flexibility regarding the age at which an employee retires, the length of time it takes to retire and the nature and intensity of work in the lead up to final retirement. It assists the organisation by retaining the skills of key employees who are approaching, or are at, retirement age and provides a greater choice for employees.

Pre-retirement Wind Down (Existing post)

- 9.2.** An employee approaching their retirement may wish to gradually reduce the number of hours they work leading up to their actual date of retirement while continuing to build pension entitlement.
- 9.3.** To request a pre-retirement wind down, employees should refer to Section 4 of the CCG's Flexible Working Policy and complete the Flexible Retirement Request Application Form which can be found in Appendix 7 of the Flexible Working Policy.
- 9.4.** Requests will be considered in line with business needs in accordance with the CCG's Flexible Working Policy.
- 9.5.** If there is a reduction in working hours, the employee will be paid pro rata to hours worked.

Step Down (Pre – retirement into less demanding role)

- 9.6.** An employee approaching retirement may request to continue working in a less demanding and lower banded role.
- 9.7.** To request a pre-retirement step down, employees should refer to Section 4 of the CCGs Flexible Working Policy and complete the Flexible Retirement Request Application Form which can be found in Appendix 7 of the Flexible Working Policy.

- 9.8.** Requests will be considered in line with business needs in accordance with the CCG's Flexible Working Policy. If a lower banded and suitable post is not readily available there is no obligation on the CCG's to create a role.
- 9.9.** If a change in role is agreed, the employee will be paid the appropriate rate for that post. If there is a reduction in working hours, the employee will be paid pro rata to hours worked.
- 9.10.** Members of the NHS Pension Scheme (1995) who are over the minimum retirement age, and whose pay reduces by at least 10%, may apply for the higher rate of pay to be protected for pension purposes. The application must be made after 12 months but within 15 months of the date the rate of pay is reduced. Protections are not relevant to benefits earned in the 2015 Scheme because this is a Career Average Revalued Earnings scheme where the benefits earned are based on the pensionable earnings across the member's career.

Draw Down (Partial retirement)

- 9.11.** Members of the 2008 and 2015 NHS Pension Schemes may elect to take part of their pension benefits and continue in NHS employment. To do this the employee must have reached at least the minimum retirement age of 55 and have reduced their pensionable pay by at least 10%.
- 9.12.** Between 20% and 80% of pension entitlement may be taken and pension membership will continue to build up. Pensionable pay must remain reduced for at least a year otherwise eligibility to a pension will cease. Benefits can be drawn down twice before final retirement.

Retire and Return to Work

- 9.13.** Under the provisions of the NHS Pension Scheme, employees have the option to retire from service and take all their pension benefits before returning to NHS employment.
- 9.14.** Employees considering this option, who have NHS Pension Scheme membership prior to 5th April 1997, must request the Guaranteed Minimum Pension (GMP) check from the Payroll Provider in the first instance. Retirement cannot go ahead unless the GMP check has been passed.
- 9.15.** To request to retire and return, employees should refer to Section 4 of the CCG's Flexible Working Policy and complete the Flexible Retirement Request - Application Form which can be found in Appendix 7 of the Flexible Working Policy.
- 9.16.** Line Managers must then complete the Retire & Return Assessment Form (Appendix 3 of this policy) and ensure the retire and return is authorised by the Accountable Officer and then inform the employee in writing of the outcome.
- 9.17.** There is no guarantee that requests to retire and return will be granted. Requests will be considered in line with business needs. The CCG will specifically consider:
- The requirement for the post to be filled through retire and return in light of cost improvement pressures.
 - Equality requirements.
 - Value for money.
 - Standard of the individuals work and attendance.
 - The employee's competence (skills knowledge and experience) against the requirement of the post they wish to return into.

- Whether the hours proposed can be accommodated to meet service needs.
- Succession planning and the potential impact the employee's return will have on their team.
- Whether it is in the best interests of the service to accommodate the retire and return request.
- Longer term workforce/service plans for the post and team and how the retire and return request fits in with this.

9.18. If a request to retire and return is agreed, there must be a 14-day gap between employments, to include a minimum 24-hour break in pensionable employment to satisfy the requirements of the NHS Pension scheme.

9.19. Where an employee has other employment in another NHS organisation or GP practice, they must ensure they also follow that organisation's retirement procedures to ensure the minimum 24-hour break in all pensionable employment is satisfied for payment of their NHS pension.

9.20. Employees must take all accrued annual leave before their retirement date otherwise any days not taken will extend the retirement date and delay payment of the pension accordingly.

9.21. Members of the 1995 section must work less than 16 hours per week within one calendar month of retirement to avoid their pension being suspended. This restriction does not apply to members of the 2008 or the 2015 schemes. Please note there may be instances where an employee has membership in both the 1995 scheme and the 2008/2015 scheme, in such instances an employee must seek advice from the Payroll Provider to understand any restrictions on the working hours they will return to.

9.22. Employees who are in receipt of any earnings-related protection will lose that protection on their return to work following the break in service.

9.23. Once an employee retires and receives their pension benefits in relation to their NHS service, this service will no longer be counted as 'reckonable' for redundancy purposes. Where an employee takes their pension benefits and returns to work at the organisation, reckonable service will begin from the date of return to employment after the break in service.

9.24. Employees who retire and take their pension benefits from the 1995 scheme before returning to work will not be able to re-join the NHS Pension Scheme, however an alternative pension scheme will be provided by the CCG. Employees who retire from the 2008 or 2015 schemes will be eligible to re-join the NHS Pension scheme on return to NHS employment.

10. Voluntary Early Retirement

10.1. Voluntary Early Retirement occurs when an employee voluntarily chooses to resign from their position and retire before the normal retirement age. This includes staff who are members of the NHS Pension Scheme/Personal pension and who wish to retire once they have built up sufficient pension contributions, and anyone who wishes to retire early for other personal reasons.

10.2. Employees wishing to take 'voluntary early retirement' and retire before 'normal retirement age', are choosing to resign from their position.

- 10.3.** It is essential to inform the line manager at the earliest opportunity if the employees' pension is being drawn, at least four months before the retirement date to allow enough time for the pension to be processed.
- 10.4.** It is the employee's responsibility to seek independent financial advice or advice from the NHS Pensions Department (available via the Payroll Provider) about pension's benefits and the required notice to enable early retirement. Line managers (or any other employee of the CCG) are not allowed to give advice about pension benefits.

11. Ill-Health Retirement

- 11.1.** Ill-health retirement is managed in accordance with the CCG's Management of Sickness Absence Policy. Where ill-health retirement is identified as an option, an application must be made on the appropriate form which is available from the Payroll Provider via the HR team. Please refer to Appendix 2 - Guide to Ill-Health Retirement Process.
- 11.2.** When an employee becomes incapable of carrying out their duties on a permanent basis, and no reasonable adjustments can be made or suitable alternative employment secured, the employee may wish to apply to NHS Pensions for retirement on the grounds of ill-health. This option is only available to employees who have two years' continuous pensionable NHS service. The minimum pension age does not apply in the case of ill health retirement.
- 11.3.** Medical advisers, appointed by NHS Pensions, will assess the available medical evidence and will confirm whether the employee is permanently incapable of carrying out either their present NHS duties or any regular work. A Tier 1 or Tier 2 pension may be paid dependent upon this decision.
- 11.4.** Tier 1 is where an employee becomes permanently incapable of performing their current job role due to ill health. In this situation an employee will receive their accrued benefits (1995 & 2008 scheme) / pension (2015 scheme), but without reduction to take account of early payment. There is no enhancement to benefits.
- 11.5.** Tier 2 is where an employee becomes permanently incapable of doing any regular work due to permanent ill health. In this situation an employee will receive enhanced benefits dependent upon which scheme they are a member of.
- 11.6.** If an employee is terminally ill and not expected to live longer than a year and has been accepted by NHS Pensions for ill health retirement, then they may apply to exchange their ill health benefits for a one-off lump sum payment.
- 11.7.** It is important to note that the decision regarding an application for ill health retirement rests solely with NHS Pensions and not the CCG.
- 11.8.** If an individual returns to NHS employment before their Normal Pension Age and their earnings are above a certain level, some of their ill health pension may be reduced. This is called abatement and it applies where earnings from re-employment plus the "unearned" portion of the ill health pension exceeds earnings before retirement.

11.9. If a Tier 2 ill health pension is granted and the individual is subsequently able to undertake work at a later date, there are restrictions based on the kind of work an individual can do and the amount of money they can earn. These restrictions differ primarily on whether you return to work in the NHS or not. Individuals must make themselves aware of the rules governing the continued receipt of a tier 2 ill health pension and understand they will be subject to an annual review by NHS Pensions.

12. Due Regard

12.1. This policy has been reviewed in relation to having due regard to the Public Sector Equality Duty (PSED) of the Equality Act 2010 to eliminate discrimination, harassment, victimisation; to advance equality of opportunity; and foster good relations between the protected groups.

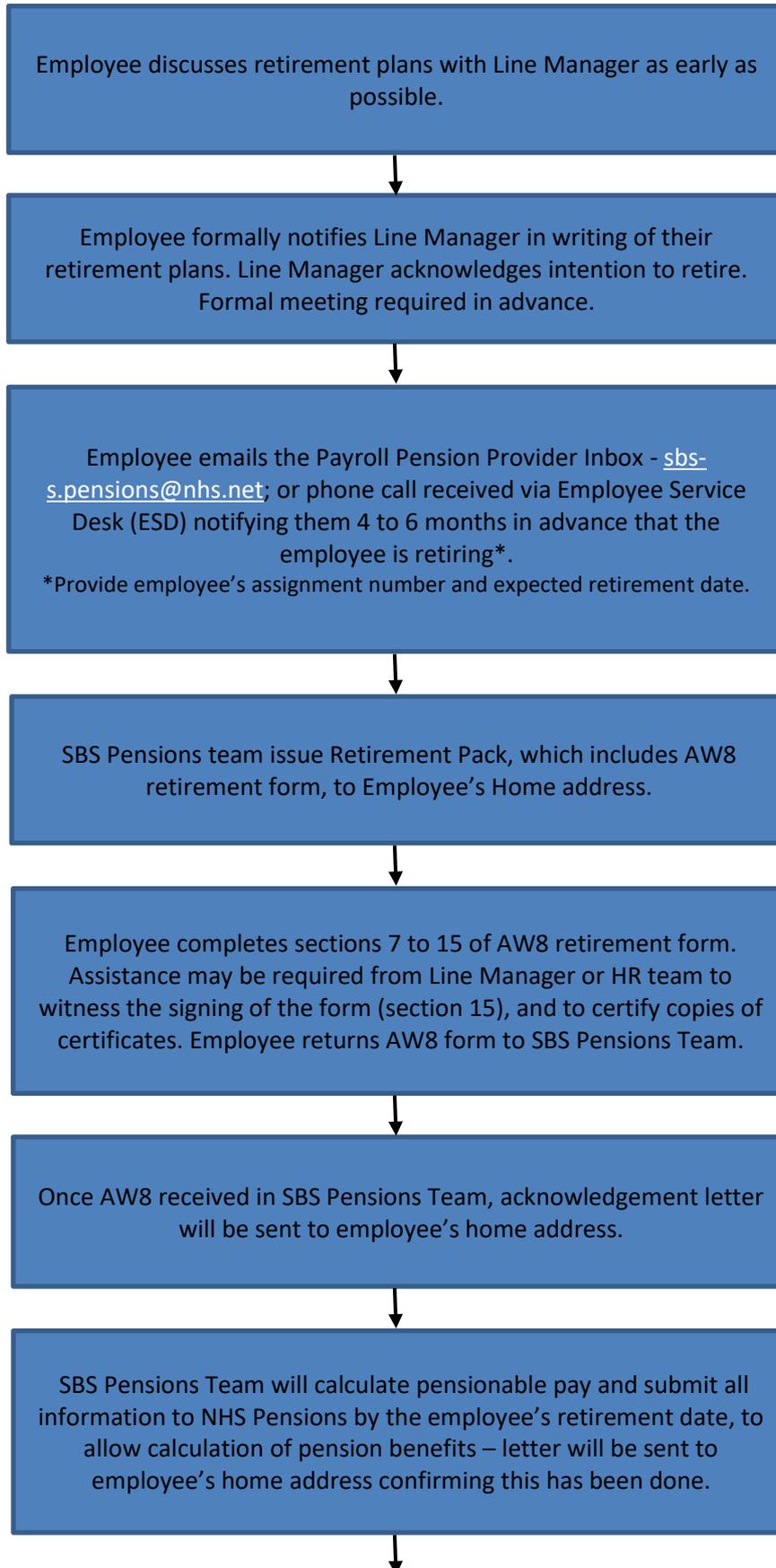
13. Implementation and Dissemination of the Document

13.1. This document has been fully ratified by the Joint Commissioning Committee and will be published and made available to all employees via the CCG's intranet/ internet in Herefordshire and Worcestershire.

14. Monitoring and Review

14.1. The policy will be reviewed in line with the review date or before in the case of where there are legislative changes. Monitoring of the policy will be carried out by Corporate Governance.

GUIDE TO RETIREMENT PROCESS



Within 30 days of the retirement date NHS Pensions will write to employee; payment of retirement lump sum and first instalment of pension will also be made.

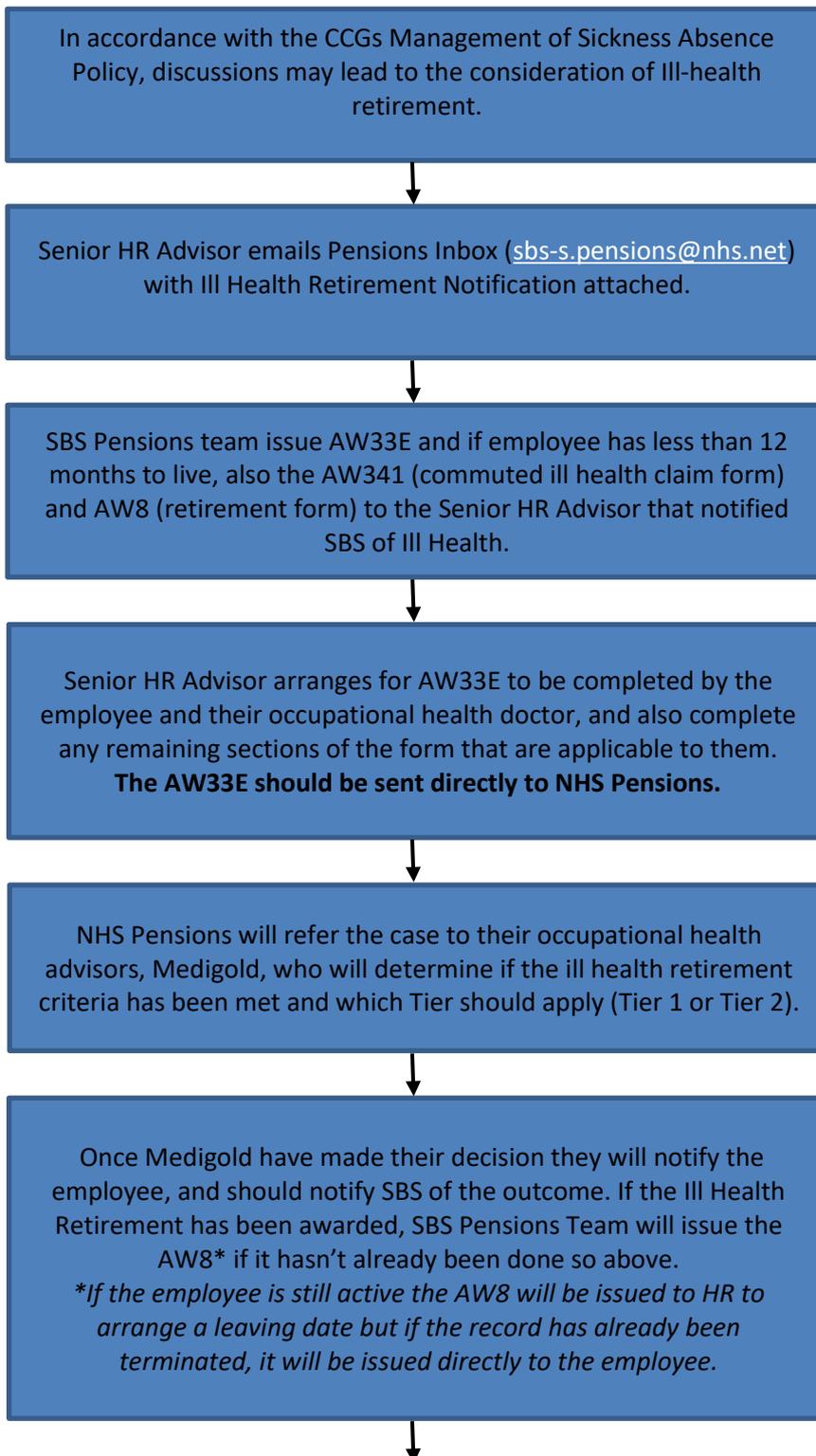


After retirement date; SBS Pensions Team will review calculation of pensionable pay to ensure that any additional payments (e.g. lieu of annual leave) are taken in to account and communicated to NHS Pensions.



Where necessary, NHS Pensions will recalculate pension benefits and communicate this to employee.

GUIDE TO ILL HEALTH RETIREMENT PROCESS



Employee completes sections 7 to 15 of AW8 retirement form. Assistance may be required from Line Manager or HR team to witness the signing of the form (section 15), and to certify copies of certificates. If applicable the AW341 should also be completed at this time, and returned with AW8.



Once AW8 (and AW341) received by SBS Pensions Team, they will calculate pensionable pay and submit all information to NHS Pensions as soon as possible, to allow calculation of pension benefits – letter will be sent to employee's home address confirming this has been done.



Within 30 days of the retirement date NHS Pensions will write to employee; payment of retirement lump sum and first instalment of pension will also be made.



After retirement date; SBS Pensions Team will review calculation of pensionable pay to ensure that any additional payments (e.g. lieu of annual leave) are taken in to account and communicated to NHS Pensions.



Where necessary, NHS Pensions will recalculate pension benefits and communicate this to employee.

APPENDIX 3

RETIRE & RETURN ASSESSMENT FORM FOR APPROVAL TO PERMIT RETURN

Employee Name:	
Job Title:	
Department:	
Line Manager Name:	

ASSESSMENT

Please provide information in relation to the following:

- 1. The requirement for the post to be filled through retire and return in light of cost improvement pressures/resilience or sustainability**

- 2. Equality requirements**

- 3. The standard of the employees work and attendance, competence (skills/knowledge and experience) against the essential requirements of the post**

- 4. Whether the hours proposed can be accommodated/meet service needs**

5. Succession planning and the potential impact the employee's return will have on the team

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6. Whether it is in the best interests of the service to accommodate the retire and return request including longer term workforce/service plans for the post and team

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DECISION

Is the retire and return to work application approved by the Accountable Officer? *(Tick as appropriate)*

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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Summary of rationale for Accountable Officer's decision:

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ACCOUNTABLE OFFICER:	
SIGNATURE:	
DATE:	

Form to be returned to the corporate team for filing and reference

APPENDIX 4

USEFUL CONTACTS

If you have any questions about **NHS Pensions**, you can contact them by:

Telephone: 0300 330 1346 – Monday to Friday, 8am to 6pm

Email: nhsbsa.pensionsmember@nhsbsa.nhs.uk

Twitter: direct message @nhs_pensions

You can write to: NHS Pensions, PO Box 2269, Bolton, BL6 9JS

CCGs Payroll Provider – Contactable as follows:

Worcester CCGs – 0303 123 1144 and <https://nhssbs.microsoftcrmporals.com>

Hereford CCG – mlcsu.employmentservices@nhs.net

Occupational Health – Contactable as follows:

Worcester CCGs – 01905 760693/4 and wah-tr.OccupationalHealth@nhs.net

Hereford CCG – 01432 364013 and occupationalhealth@wvt.nhs.uk

NHS Pensions – Business Service Authority – Access to the member hub via the following link:

<http://www.nhsbsa.nhs.uk/Pensions.aspx>

The Money Advice Service – This is a free independent service set up by the Government to help you manage your money better. It gives clear, unbiased advice to help you make informed choices about your finances. A tool on the Money Advice Service website helps you give your finances a health check. Website: <https://www.moneyadviceservice.org.uk/en>

Gov.uk is the UK government’s digital service for people in England and Wales. It delivers information and advice about public services, all in one place. This includes information about money, tax, benefits, pensions and retirement planning. Website: <https://www.gov.uk/>

The Pensions Regulator – is the UK regulator for work-based pension schemes. Website: <https://www.thepensionsregulator.gov.uk/>

The Pensions Advisory Service (TPAS) – They can provide information and guidance concerning your pension arrangements. Telephone: 0300 123 1047. Website: www.pensionsadvisoryservice.org.uk

NHS Pensioners Trust (NHSPT) – The objective of the Pensioners Trust is to relieve hardship among beneficiaries (Any NHS retired staff or husband, wife, widow or widower of retired NHS staff). Contactable on 01372 805760 or nhsptinfo@gmail.com. Website: <http://www.nhspt.org.uk/>

NHS Retirement Fellowship - A self-help organisation catering specifically for retired NHS staff. Its aim is to encourage friendship and relieve loneliness and worry for retired NHS staff. The Fellowship can be contacted on 01305 361317 or info@nhsrf.org.uk. Website: <https://nhsrf.org.uk/>