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Accessing NHS Pension and Retirement Policy**

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<b>Current review changes:</b>	<p>This policy has been reviewed to reflect the provisions of the NHS Pension Scheme. It also provides for a 14 day break between 'Retire and Return' to satisfy the minimum statutory break in service.</p>

<b>Executive Summary:</b>					
This policy and procedure applies to all employees who wish to access their NHS pension and resume working.					
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**PROPRIETARY INFORMATION**

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## Policy Statement

Velindre NHS Trust recognises that retirement is a time of great significance in a person's life and the Trust is committed to giving members of staff who wish to retire every facility to ensure as smooth a transition as possible from work to retirement.

This policy and procedures outlined in this document are provided to enable manager to take the appropriate action when staff wish to retire and sets out the options available to staff who are eligible to access their pension.

### 1. Scope

- 1.1 This policy applies equally to all employees of Velindre NHS Trust including those from hosted organisations, and regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The principles of the Human Rights Act 1998 also apply to these guidelines. Special provisions are included within the guidelines which may only apply to specific staff groups.
- 1.2 Any reference to pension entitlement will only apply to individual employees who participate in the NHS Pension Scheme. The guidelines cannot alter in any way the NHS Pension Scheme, as determined by the NHS Pension Scheme Regulations 1995 and 2008 and 2015 NHS Pension Schemes, nor can it amend any statutory or contractual retirement provision.

### 2. Principles

- 2.1 The Trust recognises that its employees' skills and experience are vital to the success of the organisation and in support of its retention strategy. It is also appreciative of the fact that employees are choosing to work longer and aware of the findings and recommendations of the Working Longer Group which was established to address the impact of a raised retirement age on NHS staff.
- 2.2 In accordance with the Employment Equality (Repeal of Retirement Age Provisions) Regulations 2011, the Trust will not impose a default retirement date on employees, rather it will support them in their chosen retirement date and the access to their NHS Pension fund.

### 3. Aims

- 3.1 To provide guidance and support for staff in considering the options available;
- 3.2 To provide guidance to managers;

### 4. Definitions of Retirement

The NHS Pension Scheme Guide <http://www.nhsbsa.mhs.uk/pensions> provides full detail regarding retirement definitions within the NHS.

## 4.1 Normal Minimum Retirement

The normal retirement dates for staff are:

Scheme	1995	2008	2015
Normal Pension Age	60 (55 for Special Class status)	65	Equal to an individual's State Pension
Minimum Pension Age	50 if joined pre 06/04/2006 and not had a break of 5 years or more. Otherwise age 55	55	55

**2015 NHS Pension Scheme** - *The 2015 Scheme is a Career Average Revalued Earnings (CARE) scheme. This is a form of defined benefit pension scheme, providing a guaranteed level of benefit at retirement payable according to a fixed formula. Pension benefits for all members are calculated using the same method and revaluation rate.*

*In a CARE scheme the pension is based on each year's pensionable pay. The pension earned each year is based on actual pensionable pay in that Scheme year and is increased by a set rate linked to inflation, known as revaluation, each year up to retirement or leaving. A 'Scheme year' runs from 1 April of one year to 31 March of the following year. The final pension is calculated by adding together the revalued pensions earned in each year of membership.*

Employees considering taking voluntary early retirement may request an estimate of the benefits from the Pension Department.

## 4.2 Members of the 'Special Classes'

This applies to any member of the 1995 scheme who is employed as a nurse, midwife, health visitor or physiotherapist who joined the NHS Pension Scheme before 6 March 1995. Such employees may retire at any time from the age of 55 years onwards provided they have at least 5 years' pensionable employment immediately before their chosen retirement date.

## 4.3 Ill Health Retirement

Benefits may be paid when early retirement occurs due to ill health. This is managed in accordance with the Sickness Absence Policy (WF08').

## 4.4 Premature Retirement (Early Release of Benefits)

An employee of minimum retirement age, with at least 2 years' membership with the NHS Pension Scheme, may access their pension benefits early if they retire early through one of the following circumstances:

- Redundancy  
Receive redundancy payment in full and defer pension benefits until normal retirement age, OR, access pension benefits immediately without reduction (redundancy payment will be used to cover costs of releasing pension benefits early, any residual balance is payable to the member)
- Reorganisation
- Interests of the efficiency of the Service

## **4.5 Impact of Salary Sacrifice**

**2015 Scheme only** -Each year of your pensionable pay counts separately towards the build up of your final pension benefits. Therefore entering into any salary sacrifice arrangement (e.g. Childcare Vouchers, Lease Car Schemes etc.) that reduces your gross pensionable pay will have a negative effect on the amount of pension you are able to build up in that year. The overall effect from participating in any salary sacrifice scheme would reduce the amount of final benefits you earn.

The **1995/2008 Schemes** are both final salary schemes and therefore these benefits will not be affected in the same way.

## **5. FLEXIBLE RETIREMENT OPTIONS**

The Trust recognises that employees may wish to 'phase' their retirement and to support this, the following options are available depending on membership of the 1995 Section or 2008 Section.

### **5.1 WIND DOWN**

Working fewer hours than the current post. Even though winding down involves a corresponding reduction in earnings, the pension entitlement will continue to grow, however, this will be at a slower rate.

The eventual pension would be calculated on the total membership accrued which would be higher than if the member had retired before winding down.

A flexible working application should be completed by the employee for consideration and discussion with the line manager in accordance with the Flexible Working Policy and Procedure. The flexible working application form can be found at Appendix 1.

### **5.2 STEP DOWN (only applies to 1995 Scheme members)**

Stepping down involves moving to a lower banded, less responsible job (subject to such a post being vacant), whilst still enabling the employee to make good use of acquired skills and for the organisation to retain the experience of its employees.

With the agreement of the Trust, or hosted organisation, the member may wish to take this option and voluntarily protect their pay up to the date of the step down.

To qualify for voluntary protected pay the 1995 Scheme Member:

- Must be over the minimum retirement age
- Their pay must have reduced by at least 10%
- Be in the new post for at least 12 months
- Can only apply for this once
- Apply to NHS Pensions for the protection with 15 months of their pay reducing.

With the formal agreement of the Trust, the pension entitlement at the point of stepping down would be secured and increased in line with the cost of living. A second pension would then be started on the lower level of pay. When the employee chooses to fully retire from employment, two separate pensions will be calculated and combined for payment or, if it is more beneficial, a single pension based on the full membership and the final pay.

### **5.3 DRAW DOWN (Only applies to 2008 Section of the Scheme members)**

It is the provision for partial retirement or 'Draw Down'.

On reaching age 55 a member becomes eligible to take some of their pension if the annual rate of pensionable pay is reduced to 90% or less of the pensionable pay received in the preceding 12 months. A break in employment is not required.

To be eligible for Draw Down a member must:

- be at least age 55
- be an active member in the 2008 section
- reduce actual pensionable pay by at least 10% (for GPs a 10% reduction in commitment is required)
- have had the previous level of pensionable pay for at least 12 months
- expect the new level of pensionable pay to last at least 12 months
- not have already drawn down twice
- Draw Down benefits paid between the ages of 55 and 65 must be actuarially reduced.

## **6. PROCEDURE TO ACCESS NHS PENSION (All Schemes)**

- 6.1 Employees who wish to voluntarily retire and access their pension, if applicable, must confirm their intention in writing to their line manager and resign from their post.
- 6.2 Employees who voluntarily decide to access their pension and resume working do not have an automatic entitlement to return to their existing position within the organisation. In line with the Recruitment and Selection process, the post will have to be approved through the vacancy scrutiny process.

The employee should complete the 'Retire and Re-engagement Form' which can be found at Appendix 2 and the manager should complete Vacancy Scrutiny form, Appendix 3.

- 63 Employees who wish to access their pension and make a request to remain in their current post, reduce their hours and/or work in a less demanding role must complete the flexible working application form in addition to the 'Retire and Re-engagement Form'.

Where an employee has accessed his/her pension benefits, any employment that has been taken into account for the purposes of those pension benefits, will not count as reckonable service for the purposes of an NHS redundancy payment.

- 64 The employee must have a break in employment of **14 calendar days** between retirement and re-engagement.
- 65 Any outstanding annual leave must be taken prior to the last day in service before the break in service.
- 66 Under the rules that govern the NHS pension scheme, members are permitted to work up to and including 16 hours a week within the first calendar month plus 1 day of retirement; otherwise the NHS pension will be suspended.
- 67 Employees who have Special Class Status aged under 60 cannot earn more through their pension payments and their post-retirement salary than their salary at retirement. Where this happens the pension will be reduced to bring total income down to the required level-
- 68 Employees who have had their application to retire and return approved, will need to be re-enrolled onto the Trust's payroll. The Trust's e-enrolment process does not automatically generate an e-New Appointment Form for those staff who are retiring and returning. It is therefore the manager's responsibility to send a copy of the authorised VCF form to the NWSSP Employment Services Team by email to request an e-New Appointment Form to re-enroll the employee.

The email address is:

[NWSSP.employmentservices.enablement@wales.nhs.uk](mailto:NWSSP.employmentservices.enablement@wales.nhs.uk)

or telephoning

02920 903793.

## 7. Notification Process

- 7.1 Staff must notify their manager, in writing, of their intention to retire 5 months prior to their chosen retirement date to ensure that their pension is processed in time.
- 7.2 The notice of termination must be immediately completed by the line manager 5 months prior to the date of termination in line with the Manager Self Service Guidance. This notification must be submitted to the Payroll Department at Companies House. It is essential that the termination form is clearly marked, retirement - accessing pension benefits.

## **8. Discussion regarding Future Plans**

There should be open discussion with employees about future plans, conducted in an atmosphere of trust that can help facilitate the transition from work to retirement for both the individual and the organisation. These discussions can take place as part of the Personal Development Appraisal Review process.

## **9. Preparing for Retirement**

A pension quote will be provided by the Pensions Department as part of the retirement process or from the NHS Pension Agency. Estimates can be obtained via [estimates@nhspa.gov.uk](mailto:estimates@nhspa.gov.uk).

All employees will be given the opportunity to attend a pre-retirement course dependant on the length of notice received. This will provide an opportunity to discuss key issues of retirement. It is the responsibility of managers to ensure that employees are made aware of the pre-retirement courses and to make appropriate arrangements. The cost of the pre-retirement courses will be met by the relevant department. (details of these courses can be accessed through the [Velindre intranet site](#))

## **10. Equality**

The Trust is committed to ensuring that, as far as is reasonably practicable, the way it provides services to the public and the way it treats its employees reflects their individual needs and does not discriminate against individuals or groups.

The Trust has undertaken an Equality Impact Assessment (EQIA) and received feedback on this policy and the way it operates. The Trust wanted to know of any possible or actual impact that this procedure may have on any groups in respect of gender (including maternity and pregnancy as well as marriage or civil partnership issues) race, disability, sexual orientation, Welsh language, religion or belief, transgender, age or other protected characteristics.

The assessment found that there was no impact to the equality groups mentioned and this policy will have a positive impact on all of the 'protected characteristic' groups. Where appropriate the Trust will make plans for the necessary actions required to minimise any stated impact to ensure that it meets its responsibilities under the equalities and human rights legislation.

## **11. Resources**

The implementation and management arrangements associated with this policy present resource implications to the Trust and hosted organisations. Any requests to resume working following an individual accessing their NHS Pension requires approval via the relevant Vacancy Approval process.

## **12. Implementation**

12.1 This policy will be maintained by the Workforce & OD Team.

### **13. Audit and Monitoring**

This policy will be subject to the normal workforce and OD audit processes and procedures.

### **14. Distribution**

14.1 The policy will be available via the Trust Intranet Site (or via a link to the site) and hosted organisation's intranet sites. Where staff do not have access to the intranet their line manager must ensure that they have access to a copy of this policy.

### **15. Review**

The Workforce & OD Team will review the operation of the policy as necessary and at least every 3 years.

### **16. Legislation**

The Employment Equality (Repeal of Retirement Age Provisions) Regulations 2011.  
The Equality Act 2010.  
The Employment Rights Act 1996.

### **17. Further Information**

Further information and support is available from your divisional Workforce and OD Department. NWSSP staff should refer any queries to [nwssp.hrcontactpoint@wales.nhs.uk](mailto:nwssp.hrcontactpoint@wales.nhs.uk).

## 18. APPENDIX 1

Velindre NHS Trust

### FLEXIBLE WORKING OPTIONS

#### REQUEST FOR VARIATION TO WORKING PATTERN TO BE COMPLETED BY THE EMPLOYEE

##### 1. Personal Details

<i>Name:</i>		<i>Staff Number</i>	
<i>Current post:</i>		<i>Base:</i>	
<i>Department:</i>		<i>Telephone:</i>	
<i>Line Manager:</i>			

##### 2. Please explain what you wish to vary about your working pattern and the reasons for your request.

##### 3. Is this a temporary or permanent variation?

##### 4. What impact will this variation have on the service?

**5. What impact will this variation have on your colleagues?**

**6. What are the benefits to the organisation?**

**7. What are the benefits to you?**

**8. What are the potential problems with this arrangement?**

**9. What would be the proposed solutions to any potential problems?**

*Signed:* ..... *Date:* .....

*Print:* .....

**To be completed by the Manager**

**10. Date/s of meetings to discuss application:**

**11. Discussion points:**

**12. Outcome:**

**13. If the application is rejected, outline reasons:**

**14. Details of monitoring criteria and timescales:**

***Signed:* .....** ***Date:* .....**

***Print:* .....**

## 20. APPENDIX 2

### REQUEST TO RETIRE (ACCESSING PENSION) AND RE-ENGAGEMENT FORM

To be completed by employee:

<b>Name</b>	
<b>Post</b>	
<b>Band</b>	
<b>Current hours of work</b>	
<b>Directorate/Department</b>	
<b>Name of Line Manager</b>	
<b>Date of Retirement</b>	
<b>Expected date of re-engagement</b> (A break in service of at least 14 days between retirement and re-engagement is required)	
<b>Proposed hours of work</b>	
<b>Flexible Working application completed?</b> (If reduction in hours requested)	Yes / No

**Employee Signature** .....

**Date** .....

## **21. APPENDIX 3 – VACANCY CONTROL FORM**

The relevant Vacancy Control Forms can be accessed below:

### **VELINDRE**

The Business Case Vacancy Scrutiny Form can be obtained from the Workforce Department.

### **NWSSP**

<S:\HR\HR NWSSP\04 Recruitment and Redeployment\NWSSP Recruitment\Vacancy Control Form>

### **NWIS**

<https://informatics.wales.nhs.uk/EngD/WrkOrgDev/WForce/Shared%20Documents/Recruitment/NWIS%20Vacancy%20Request%20Form%20final.doc>