

## RETIREMENT GUIDANCE

### 1.0 Principles

- 1.1 The purpose of this document is to provide employees and managers with guidance on the application and management of retirement.
- 1.2 Flexible retirement options are outlined to offer choices on how an individual may wish to transition from work to eventual retirement.
- 1.3 It is recognised that the Trust's success depends on its ability to attract, recruit and retain suitably qualified, skilled and experienced staff particularly as the demand for healthcare grows.
- 1.4 It is important that employees are supported to achieve a balance between their work and home life not just during employment but also in planning the transition to retirement. However, whilst retirement at a time and pace which suits the individual is attractive from a staff perspective, retirement also provides the Trust with an opportunity to review the service, change how the service is delivered or to disestablish the post.
- 1.5 Requests must be considered objectively and an employer can only refuse a request if there are business reasons for doing so. These reasons are set out in Section 6.0 of this document.
- 1.6 There is no right to retire and return to work. A return to work will be dependent on the business needs in each case.
- 1.7 Before deciding on a retirement/flexible retirement option, employees are reminded that they must always seek information from Pensions and advice from an Independent Financial Advisor before making a decision.
- 1.8 In managing flexible retirement options, the following principles will always apply:
  - Openness and Transparency – employee's options and how decisions are reached will be open and shared with staff at all times
  - Fairness and Equity – employees will be treated fairly and equitably, as individuals, recognising that we are all unique
  - Consistency of Approach – the options detailed in the policy will be applied consistently to all staff
  - Confidentiality – information given to the Line Manager and Human Resources regarding the employee's circumstances will be treated in complete confidence

## **2.0 Qualifying Conditions**

- 2.1 To be eligible to make a retirement request the employee must fulfil the following conditions:
- They must be employed by the University Hospitals Sussex NHS Foundation Trust (agency or bank workers do not qualify)
  - Some of the flexible retirement options will only be available to staff if they are a member of the NHS Pension Scheme (NHSPS)

## **3.0 Retirement**

- 3.1 From 1<sup>st</sup> October 2011, retirement became a voluntary choice for the employee. If an individual would like to carry on working, and is able to carry on working beyond the age of 65, they can do so. No dismissal will take place on the grounds of age.
- 3.2 The NHS Pension Scheme (NHSPS) was amended in 2015 and is now in three sections known as the 1995 section, the 2008 section and the 2015 section. Some of the provisions of the scheme vary depending on the section the employee is in the scheme guide to the pension scheme is available on line from [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).
- 3.3 All staff considering flexible retirement options should discuss these in the first instance with their Head of Service. Such requests will be considered in light of the service and organisational requirements. Staff are also advised to contact the Trust's payroll providers to determine the implications of flexible retirement on their pension. It is advisable for staff intending to retire to commence their enquiries and requests at least 6 months' in advance of their proposed retirement date.
- 3.4 Staff who retire under normal age provisions (60 or 65) must have a break in service for 24 hours and cannot work more than 16 hours per week for the first calendar month following retirement. There is no limit on what a person can earn if they return to work following normal age retirement.
- 3.5 Where a member of staff pursues voluntary early retirement and takes an actuarially reduced pension or has Mental Health Officer status and retires at age 55, the provisions above apply. In addition the employee's combined pension and post retirement earnings must not be greater than their salary upon retirement. Where this occurs, the pension is reduced to bring the total income down to the required level.

## **4.0 Retirement Options**

- 4.1 Under the terms of the NHS Pension Scheme the following flexible retirement options are available to staff:
- Retire and come back
  - Winding down
  - Stepping down
  - Early retirement
  - Working when needed

## **4.2 Retire and come back**

- 4.2.1 Where a member of staff retires, releasing their pension and lump sum and subsequently returns to work.

## **4.3 Winding down**

- 4.3.1 Winding down is where a person works fewer hours in an existing post. There is a general misconception that moving into part time work in the years leading up to retirement may reduce the eventual pension. However pensions for part time staff are actually calculated on the whole time equivalent salary, so moving from full time to part time work, rather than retiring, should not reduce the level of pension although it will reduce the rate at which they build up future membership.

## **4.4 Stepping down**

- 4.4.1 Stepping down is where individuals defer retirement by “stepping down” to a less demanding, lower graded (paid) post. Subject to the Trust’s agreement, pension rights may be preserved at the previous higher level.

## **4.5 Early retirement**

- 4.5.1 Early retirement is where individuals may retire at any time from age 55 (50 for members of 1995 section if they had joined the scheme before 6 April 2006 and have not had a break of 5 years or more) and take their pension but the pension will be reduced to take account of it being paid early (this is known as actuarial reduction)

## **4.6 Working when needed**

- 4.6.1 Retirement and remaining available to work through registering for bank work or by advising availability for work during peak periods.

## **5.0 Procedure for Applying for Flexible Retirement**

### **5.1 Application**

- 5.1.1 If the employee meets the qualifying criteria to make a flexible retirement request, they are required to follow the set procedure given below in order for requests to be given due consideration.
- 5.1.2 The proposed flexible retirement arrangements will not commence until sanctioned by the manager.
- 4.1.3 The procedures to request to retire under the provisions of the NHS Pension Scheme and return to work for the Trust should be followed:

Submission of Written Request – Member of staff must submit in writing their request to retire (stating the desired retirement date). If they wish to negotiate employment with the Trust post-retirement they should also say when and in what capacity they would like to

return to work for the Trust. This should be submitted to the appropriate Director, Chief, Director of Clinical Services or Head of Service.

- 4.1.5 Meeting to Discuss – the appropriate manager will then meet with the member of staff to discuss their request and any proposed arrangements.
- 4.1.6 Consideration of Request – the request will be considered in terms of meeting individual, department, service and Trust wide needs.

The appropriate manager should consider any requests with the following questions in mind:

- Is the post still required?
- Will vacant hours be created following retirement of the member of staff?
- Can the vacancy be covered by existing staff working differently?
- Does it need to be a like for like replacement?
- Are there any anticipated service changes which may affect this vacancy?
- What are the benefits to the department, service and Trust?
- Are there any unintended consequences to the Trust? eg. need to fill vacant hours through supply agency

## **6.0 Approving a Request**

- 6.1 If the request is granted the appropriate manager will inform the member of staff and confirm the arrangements (subject to the approval by the Executive team for senior staff).
- 6.2 Given the more individual impact of senior roles, **any agreement to change/offer a contract relating to senior staff, including Consultants and clinical and operational managers on pay band 8a and above**, must be agreed through Divisional Integrated Performance Reviews (DIPR) prior to approval being granted.
- 6.3 The manager should complete a Leavers Form and forwarding them to the Human Resources Recruitment Team and Payroll. The manager will need to complete a appointment form to appoint the employee back in to a “new” position. The employee will need to complete a Personal Details Form to provide HR with all the information needed to set them back up as a new employee, with a new employee (aka Assignment) number.
- 6.4 In some circumstances it may not be possible to grant a request in its entirety. Any modifications to a request should be discussed and clearly documented.

## **7.0 Grounds for Refusal**

- 7.1 All requests should be consider carefully looking at the requested changes in flexible retirement for the employee and the service and weighing these against any adverse business impact of implementing the changes. The Trust is under no statutory obligation to grant request to flexible retirement if it cannot be accommodated by the service on any of the grounds listed in 7.2

- 7.2 If the application for flexible retirement is refused the appropriate manager will inform the member of staff as soon as possible.

Possible reasons for refusal may include:

- the person retiring is unable to provide the hours of work required
- inadequate performance in the role which has been subject to formal review under an appropriate Trust policy
- the skills, knowledge and experience to do the job is readily available in the employment market
- the need to refresh skills through turnover to aid succession planning
- continuity of care would not be adversely affected if the person retires
- current/anticipated organisational change necessitating the displacement of staff
- opportunity to develop new ways of working and delivery of service

- 7.3 Requests can be rejected for other reason and advice should be sought from the Divisional Human Resources Team before refusing a request

## **8.0 Appeal Process**

- 8.1 The employee can exercise their right to appeal within 14 calendar days of notification of the decision by writing to a Senior Manager of the department, with a copy to the Divisional Human Resources Team contact.
- 8.2 The Senior Manager will arrange an appeal meeting within 14 calendar days of the receipt of the written appeal.
- 8.3 The employee has the right to be accompanied during the appeal meeting by a recognised Trade Union/Staff Side representative or work colleague. A member of the Divisional Human Resources Team will also be present at the meeting.
- 8.4 The employee should receive the outcome of the appeal meeting in writing within 14 calendar days of the appeal meeting.
- 8.5 The decision of the appeal panel is final and no further recourse within Trust policies is available.
- 8.6 If the manager arranges a meeting to discuss the application including any appeal and the employee fails to attend both this and a rearranged meeting without a good reason, the manager can consider the request withdrawn and must inform the employee of this.

## **9.0 Terms on Return**

- 9.1 Where a request to retire and return to work is approved, staff will be offered a 12 month fixed term contract. Individuals should note that the terms and conditions of service applied to the fixed term contract may differ from those prior to retirement e.g. annual leave entitlement, number of SPA's in job plan, incremental point and/or date.

- 9.2 The fixed term contract will be ended after 12 months. Requests for a further fixed term contract will be considered in accordance with paragraph 3.1 (Retirement Procedures) of this document.

## **10.0 Reckonable Service**

- 10.1 In accordance with Agenda for Change Terms and Conditions, Section 16.6, continuous service where an employee has previously been given NHS pension benefit, any employment that has been taken into account for the purpose of those pension benefits will not count as reckonable service for redundancy purposes. Reckonable service will begin from the date on which the employee is re-engaged.

## **REFERENCE SOURCES**

NHS Pensions scheme	<a href="http://www.nhsbsa.nhs.uk/pensions">www.nhsbsa.nhs.uk/pensions</a>
NHS Terms and Conditions of Service Handbook	<a href="http://www.nhsemployers.org">www.nhsemployers.org</a>
HM Revenue and Customs	<a href="http://www.hmrc.gov.uk/leaflets">www.hmrc.gov.uk/leaflets</a>