

# Retirement Policy

Reference No:	P_HR_21
Version:	11
Ratified by:	LCHS Trust Board
Date ratified:	13 July 2021
Title:	HR Business Partner
Name of responsible committee/:	Employment Policy Group / JCNC
Date approved by responsible committee:	1 February 2021
Date issued:	July 2021
Review date:	July 2023
Target audience:	All staff
Distributed via:	LCHS website

## Retirement Policy

### Version Control Sheet

Version	Section	Amendments	Author	Date
<b>One</b>	To be archived	Approved November 2006	Author - SM	Nov 2006
<b>Two</b>	Current	Title change to Flexible Retirement / Semi Retirement Policy	SM	Feb 2008
	Introduction	Added "avoiding discrimination but following statute"	SM	Feb 2008
		Reference made to other policies	SM	Feb
	Section 6	Added in to notify manager of employees	SM	Feb
		Responsibilities of HR specified	SM	Feb
	Section 7	Amendment to the process and clarification.	SM	Feb
	Retirement	Removed in line with Equality Impact	SM	Feb
	Section 10	Section on Training added	SM	Feb
Section 11	Section on Monitoring added	SM	Feb 2008	
Appendix - Flowchart	Amended in accordance with above changes	SM	Feb 2008	
Appendix -	Amended in accordance with above changes.	SM	Feb	
<b>Three</b>	Retirement Awards	Reinstated following decision at Employment Policy Group meeting.	LC	Sept 2008
	Charitable approval form	Added this form to appendices	LC	Sept 2008
<b>Four</b>	Appendix Expression of Interest Form	Amended address of Policy & Recruitment team from Orchard House to Bridge House	LC	Dec 2009
<b>FIVE</b>	Front Cover	Review date extended on authorisation of Information Governance Committee and Sheila Manning to enable reviewed document to be submitted to suitable approving committee	S Barnes	August 2010
<b>SIX</b>	Front Cover	Review date extended to enable review of document to incorporate TCS changes	S Barnes for JW	31 March 2011
	Whole document	Policy realigned following implementation of Transforming Community Services Agenda & new legal entity	Rachael Ellis-Ingamells	15 March 2011
	Whole Document	Policy Reviewed by Employment Policy Group – review date extended as no changes identified	Rachael Ellis-Ingamells	4 August 2011
<b>SEVEN</b>	Section 6	Updated legislation guidance regarding removal of the Default Retirement Age on 1 April 2010		

	Section 7	Responsibilities of HR Department replaced by Responsibilities of Line Managers		
	Section 8	Removed flexible retirement options and replaced with reference to the Flexible Working Opportunities policy including Flexi-Time Systems and Self Rostering policy.		
	Section 10	Amended retirement award information in line with new process. Funds now allocated from the IWL budget.		
	Section 11	Relocated bullet point c) to section 1		
	Appendix 1, 2&3	Replaced Charitable funds approval form with Request for Retirement Award from the IWL Budget form. Added application to undertake bank work following retirement form		
<b>EIGHT</b>	Whole Doc	LCCHS header and footer applied to all pages, page numbers added	Lenore Couchman	August 2014
	Section 13	Added Equality & Diversity Statement added		
<b>NINE</b>	Whole Doc	Updated footer details	Clare Nock	May 2016
	Whole Doc	Updated reference to policy titles		
	Whole Doc	Updated Workforce contact details		
	Section 1	Removal of reference to National Retirement age		
	Section 6	Updated Section 6 in relation to removal of DRA		
	Section 3 & 8	Updated Pension Scheme information - the addition of the 2015 Pension Scheme.		
<b>9.1</b>	Section 8	Removed reference to Flexible Working Opportunities Policy for the purposes of Flexible Retirement. Inserted relevant extracts from the Flexible Working Opportunities policy.	Sophie Coutts	March 2017
<b>10</b>	All Sections	Whole policy reviewed and re-written including updated process for claiming the monies for the Retirement Award (Section 7)	Clare Nock	June 2018
<b>11</b>	All Sections	Entire policy review including removal of appendix documents, re-formatting and areas of clarity added from Pensions.	Clare Nock	November 2020

Copyright ©2021 Lincolnshire Community Health Services NHS Trust, All Rights Reserved. Not to be reproduced in whole or in part without the permission of the copyright owner.

# Retirement Policy

## Contents

i Version Control Sheet  
ii Policy Statement

<b>Section</b>	<b>Page</b>
1. Introduction	6
2. Staff Covered by the Procedure	6
3. NHS Pension Scheme	6
4. Planning for Retirement	6
5. Flexible Retirement Options	7
6. Responsibilities of the Line Manager	9
7. Retirement Award of Flowers/Gift and/or Function to Staff	9
8. Limitations	10
9. Monitoring template	11
10. Equality Analysis	12

# Retirement Policy

## Policy Statement

<b>Background</b>	This policy aims to ensure a flexible, fair and consistent approach is taken when employees approach their retirement. LCHS recognises the importance of ensuring that all employees are supported to continue working for as long as they are capable, skilled and motivated to do so. The process is initiated when a staff member notifies the relevant line manager of their intention to take retirement.
<b>Statement</b>	This policy actively encourages choice for people of state pension age and promotes age equality.
<b>Training / Responsibility</b>	<p>Pre-retirement courses are offered for staff.</p> <p>It is the responsibility of line managers to ensure all staff are enabled to exercise their rights under this policy. It is the responsibility of staff considering retirement to read the policy in order to understand options and processes in relation to retirement / flexible retirement.</p>
<b>Dissemination</b>	Website.
<b>Resource implication</b>	There is work to be done on improving the nature and use of ESR data. A large proportion of staff are of an age where they may be thinking about retirement and flexible semi-retirement is critical to workforce planning, maintaining the continuity of the workforce and retaining skills and expertise.

## **1. Introduction**

This policy aims to ensure a flexible, fair and consistent approach is taken when employees approach their retirement. LCHS recognises the importance of ensuring that all employees are supported to continue working for as long as they are capable, skilled and motivated to do so.

This policy does not cover retirement on the grounds of ill health; the Your Attendance Matters policy should be referred to for this.

## **2. Staff Covered by the Policy**

This policy applies to all employees. This policy does not apply to independent contractors working within the Trust on a contract for services nor does it apply to non-executive directors nor staff employed under national or regional education contracts, volunteers, students, secondees or independent researchers.

## **3. NHS Pension Scheme**

The Pension Age for NHS Pension Scheme Members will depend upon which scheme they are part of. For members of the 1995 scheme it is 60 (or 55 if they have Special Class Status). For members of the 2008 scheme it is 65 and for members of the 2015 scheme it is their State Pension Age.

The earliest age that staff can draw their pension depends upon the scheme they are in and when they started pensionable employment. In all cases however they must have at least two years membership to qualify for early retirement.

Where an employee has previously been given 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.

## **4. Planning for Retirement**

Prior to any decision to retire it is strongly recommended that employees check their Total Rewards Statement and talk to the Pension Department, for further information: 01522 421564. The Pensions Department can provide further details on the employee's pension scheme and forecasts can be formulated based on different flexible retirement options outlined in this policy.

Employees may also wish to attend a pre-retirement training course which can be booked through ESR.

Staff who would like to retire should give a minimum period of three months' notice in writing to their manager. This is to allow sufficient time for pensions to be processed for payment.

Staff wishing to claim their pension should access an AW8 pack which can be accessed on the Intranet. The pack contains guidance information and the paperwork to be completed including an AW8 form. Staff need to resign in order to claim NHS Pension Scheme Benefits and managers need to complete an EF3 stating the date they are leaving with the reason for leaving as retirement.

Staff should be aware that once they have submitted their notice of retirement, the relevant

manager will be required to review the establishment of the existing post.

## **5. What is flexible retirement?**

In the NHS Pension Scheme (NHSPS) there are a number of options that allow changes to the way in which people work without a major or negative impact on their future pension, nor the need to leave work, and the pension scheme completely.

Flexible retirement arrangements are not a right and will need to be requested and discussed with the line manager. Requests will be considered taking into account service, financial and workforce needs.

### **Flexible retirement options:**

#### **Step Down -1995 section members only**

Staff who would like to reduce the pressure and responsibilities they have in their current role can request to 'step down' into a less demanding and lower graded post, if an appropriate vacancy is available.

If your pensionable pay reduces by at least 10% and you undertake this role for one year, with formal agreement, the pension already earned could be frozen and a second pension started based on the stepped down pay. Applicants must have reached the minimum pension age. Staff taking this option may be required to attend a selection interview. Step down is also subject to approval from the NHS Pensions Agency and there is an application form required to be completed for approval.

#### **Wind Down**

As an alternative to retiring completely, staff can request to wind down by working fewer days or hours, in their current post. Pensions for part time staff in the 1995 and 2008 sections of the scheme are calculated on their whole-time equivalent salary. This means moving from full time to part time work will not reduce the pay on which their pension is based, only the amount of service they accrue from the date they reduce their hours onwards. Staff are advised to contact the Pensions Team for more guidance or estimates.

#### **Draw down - 2008 and 2015 members only**

'Draw down' allows members of the NHSPS to access some of their pension benefits without having to retire. However, conditions apply, Members must have reached age 55 and pay must have been reduced by at least 10% for a minimum of a year. Between 20% and 80% of pension benefits can be drawn down whilst staff continue to work and build up future membership in the scheme. This option is not available for members of the 1995 scheme. The Pension Department will be able to provide further information regarding this option.

#### **Retire and Return to NHS Employment**

Once an employee has reached the minimum pension age of their pension scheme they can apply to retire, claim their pension benefits and then return to NHS employment.

#### **Late Retirement Enhancement**

If you are a member of the 2008 Section or 2015 Scheme and you work beyond your Normal Pension Age, your pension will be increased. Contact the Pensions Department for further information.

### **Early retirement reduction buy out (ERRBO)**

If you are in the 2015 pension scheme, arrangements permit you to make additional contributions to the scheme that will allow you to retire earlier than your NPA (normal pension age) without any early retirement reduction (although not more than three years earlier than your NPA and not allowing for a retirement age of less than 65 years old). Contact the Pensions Department for further information.

### **Procedure for Flexible Retirement Options:**

Flexible Retirement Option	Managerial input Required	Procedure
Step down	Yes	Employee to discuss with their line manager and apply for a new role through recruitment processes.  Employee to contact the Pensions Department for advice regarding protection and the application process for this.
Wind down	Yes	Employee to request this via the Flexible Working policy. Each application would be considered against the needs of the service by relevant line manager.  Employee to contact the Pensions Department for advice regarding effects on pension entitlement and forecast.
Draw down	No	Employee to contact the Pensions Department for estimates and advice on the scheme option.
Late Retirement Enhancement	No	Employee to contact the Pensions Department for further information.
Early Retirement Reduction Buy Out	No	Employee to contact the Pensions Department for further information.
Retire and return	Yes	See detailed process below.

### **Process for retiring and returning to post within LCHS**

Employees wishing to return to work within LCHS following their retirement should discuss this with their manager in the first instance to explore possible positions and vacancies. Employees do not have the right to retire and return, they only have the option to request to do so. Staff will need to resign in order to claim pension benefits.

The manager will discuss with the employee the options they are able to offer based on the needs of the service.

If agreed that the post is still required, the manager must gain approval via the usual

vacancy approval process for the post to continue and/or with a reduction of hours, the service must be able to evidence that they have a transparent and equitable process of appointment (this includes ensuring any 'new' opportunities have been advertised appropriately).

Where employees have taken the option to claim their pension benefits and successfully been appointed to a mutually agreed post, managers should complete an EF1 and EF3, Asset and Access request/Amendment Form which can be found on the Intranet with the employee and send this to HR. All employees will be required to submit a new application for car user approval in accordance with the Expenses Policy.

In circumstances where it is confirmed that there is no longer a service requirement for the post to continue or a reduction in hours is not viable to the service, the employee will be notified.

### **Break in Service**

Employees who would like to claim all their pension benefits must resign and leave the NHS for 24 hours before returning.

It should be noted that if a member of staff has annual leave outstanding at their date of leaving this will extend their retirement date and hence the date that they can return to NHS employment without benefits being affected.

Members of the 1995 pension scheme who wish to access all of their pension benefits must also not work more than 16 hours per week in the first calendar month following retirement upon their return.

### **Retire and return to Bank**

Where employees wish to retire and apply to join the Trust's bank they will need to complete an application to undertake bank work following retirement form which can be found on the Intranet and should be returned to HR.

## **6. Responsibilities of Line Managers**

In accordance with the Your Performance Matter's policy, it is good practice for line managers to maintain regular conversations with all staff about their expectations of them, their performance and future plans.

Where an employee has indicated that they do wish to retire, managers are encouraged to talk to them about the expected date for their retirement and any adjustments they may wish to make to their working arrangements or hours in the lead up to retirement.

## **7. Retirement Award of Flowers/Gift and/or Function to Staff.**

It is important to recognise the contribution of all employees and the Trust wishes to mark the special contribution of an employee who has given loyal service to both the current and its predecessor Trusts (i.e. TUPE transferred staff).

The total value of the retirement award which can be used for flowers, a gift and/or a retirement function is £80.00.

Managers will be responsible for claiming the above amount through the online expense system. For further guidance on this please visit the Intranet.

## **8. Limitations**

The content of this policy cannot alter in any way the NHS Pension Scheme, as determined by the NHS Pension Scheme Regulations 1995 ,2008 or 2015, nor can it amend any statutory retirement provisions. This policy is, therefore, to be read in conjunction with the NHS Pension Scheme Regulations and such statutory retirement legislation (U.K. or E.C.) as is from time to time published and any amendments to the NHS Pension Scheme Regulations 1995, 2008 or 2015 and statutory retirement legislation which affect this policy shall be deemed to be amendments of the policy.

### Monitoring Template

Minimum requirement to be monitored	Process for monitoring e.g. audit	Responsible individuals/ group/ committee	Frequency of monitoring/audit	Responsible individuals/ group/ committee (multidisciplinary) for review of results	Responsible individuals/ group/ committee for development of action plan	Responsible individuals/ group/ committee for monitoring of action plan
Application of policy	NA	Management & HR Team	NA	People Executive Group	Management & HR Team	Management & HR Team

## Equality Analysis

<p><b>Name of Policy/Procedure/Function*</b>  <b>Retirement Policy</b></p> <p><b>Equality Analysis Carried out by: Clare Nock</b>  <b>Date: 6 November 2020</b>  <b>Equality &amp; Human rights Lead: Rachel Higgins</b></p> <p><b>Director\General Manager:</b>  <b>Ceri Lennon</b></p>
--

**\*In this template the term policy\service is used as shorthand for what needs to be analysed. Policy\Service needs to be understood broadly to embrace the full range of policies, practices, activities and decisions: essentially everything we do, whether it is formally written down or whether it is informal custom and practice. This includes existing policies and any new policies under development.**

### Section 1 – to be completed for all policies

A.	Briefly give an outline of the key objectives of the policy; what it's intended outcome is and who the intended beneficiaries are expected to be	This policy aims to ensure a flexible, fair and consistent approach is taken when employees approach their retirement. This policy actively encourages choice for people of State Pension age and promotes age equality by removing any mandatory retirement age within the Trust.		
B.	Does the policy have an impact on patients, carers or staff, or the wider community that we have links with? <b>Please give details</b>	No		
C.	Is there is any evidence that the policy\service relates to an area with known inequalities? <b>Please give details</b>	No		
D.	Will/Does the implementation of the policy\service result in different impacts for protected characteristics?			
		Yes	No	
	Disability		x	
	Sexual Orientation		x	
	Sex		x	
	Gender Reassignment		x	

	Race		x	
	Marriage/Civil Partnership		x	
	Maternity/Pregnancy		x	
	Age		x	
	Religion or Belief		x	
	Carers		x	
	<b>If you have answered 'Yes' to any of the questions then you are required to carry out a full Equality Analysis which should be approved by the Equality and Human Rights Lead – please go to section 2</b>			
The above named policy has been considered and does not require a full equality analysis				
<b>Equality Analysis Carried out by:</b>		Clare Nock		
<b>Date:</b>		6 <sup>th</sup> November 2020		