

## RETIREMENT POLICY

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## REVIEW AND AMENDMENT LOG

<b>Version Number</b>	<b>Date</b>	<b>Author</b>	<b>Description of Change or reason for update</b>
V4	Oct 18	MLCSU People Services Team	Remove section 1.32 to bring the policy in line with other Lancashire and South Cumbria CCGs. Appendix 1 inserted – application form to retire and return.
V5	Sept 19	Demi Shaw	Policy reviewed and Review date updated

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## Part 1

### 1. POLICY STATEMENT

- 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.

### 2. PRINCIPLES

- 2.1 The CCG does not operate a compulsory retirement age.
- 2.2 When considering retirement options employees should bear in mind the potential impact on their pension.
- 2.3 The provisions of Section 16 of NHS Terms and Conditions will apply to employees retiring early on grounds compulsory of redundancy.
- 2.4 The minimum retirement age for members of the NHS Pension Scheme – 1995 section is 50, except for staff who joined on or returned to the scheme after 6 April 2006 for whom the minimum retirement age is 55. The minimum retirement age for members of the 2008 section is 55. Employees whose contributions may cross into different sections of the Pension scheme (e.g. 1995 section, 2008 section and 2015 section) should seek advice through the pensions agency as to any adverse effect this may have on them individually.
- 2.5 The normal retirement age for members of the NHS Pension Scheme – 1995 section is 60 and age 65 for members of the 2008 section.
- 2.6 Employees considering retirement options, particularly flexible retirement, should discuss their plans initially with their line manager. Further information is provided in Part 2.
- 2.7 Information on retirement options and benefits is available from Human Resources or the NHS Pensions website [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).
- 2.8 Employees should bear in mind that NHS Pensions requires 4 months' notice of any request for payment of pension benefits.
- 2.9 Flexible retirement requests will be considered in line with the procedure set out in the Flexible Working policy.

### 3. PROCEDURE

The Procedure for Normal Age Retirement and Flexible Retirement options is detailed at PART 2.

### 4. EQUALITY

- 4.1 In applying this policy, the CCG will have due regard for the need to eliminate unlawful discrimination, promote equality of opportunity, and provide for good

relations between people of diverse groups, in particular on the grounds of the following characteristics protected by the Equality Act (2010); age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, and sexual orientation, in addition to offending background, trade union membership, or any other personal characteristic.

## **5 MONITORING & REVIEW**

- 5.1 The policy will be reviewed periodically by the HR team in conjunction with operational managers at the CCG and Trade Union representatives. Where review is necessary due to legislative change, this will happen immediately.

## **PART 2**

### **1. PROCEDURE**

- 1.1 Employees who have decided that they wish to retire or are considering retirement, particularly flexible retirement, should discuss their plans initially with their line manager.

#### **Normal age retirement**

- 1.2 Employees wishing to fully retire from work must resign from their employment, giving the appropriate contractual notice. They will be expected to take all accrued annual leave prior to their leaving date.

#### **Flexible Retirement**

- 1.3 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 CCG 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)**

- 1.4 An employee approaching their retirement may wish to gradually reduce the number of hours they work leading up to their actual date of retirement.
- 1.5 The employee should put their request in writing to their line manager, clearly outlining their proposed work pattern, start date and retirement date.
- 1.6 Requests will be considered in line with the procedure in the Flexible Working policy, and judged on the basis of business needs.
- 1.7 If a reduction in hours is agreed, the employee will be paid pro rata to hours worked.

#### **Pre-retirement step down (less demanding role)**

- 1.8 An employee approaching retirement may request to continue working in a less demanding role.
- 1.9 The employee should put their request in writing to their line manager, clearly outlining their proposed role, hours of work, start date of the arrangements and retirement date.
- 1.10 Requests will be considered in line with the procedure in the Flexible Working policy and judged on the basis of business needs.
- 1.11 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.

- 1.12 Members of the NHS Pension Scheme 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 within 15 months of the date the rate of pay is reduced.
- 1.13 When the employee leaves, their pension up to the date they stepped down will be based on the higher rate of pay, and their pension earned after the step down date will be based on the reduced rate of pay. Cost of living increases will be applied to the protected higher rate of pay and both pensions will be added together for payment.

### **Retire and come back to work**

- 1.14 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.
- 1.15 Employees considering this option, who have NHS Pension Scheme membership prior to 5<sup>th</sup> April 1997, must request the Guaranteed Minimum Pension (GMP) check from the Pensions Officer in the first instance. Retirement cannot go ahead unless the GMP check has been passed.
- 1.16 Employees considering this option, and who wish to return to CCG employment, must make their request in writing, to their line manager, as far in advance as possible using the form at Appendix 1. The request must include the proposed retirement date and when, and in what capacity, the individual would like to return to work afterwards.

The following must be considered when reaching this decision:

- The requirement for the post to be refilled
  - Equality requirements
  - The standard of the employees Work and attendance
  - Whether the hours proposed can be accommodated/ meet service needs
  - Succession planning and the impact of the persons return on the team
  - What is in the best interest of the service to accommodate
  - How the request fits in with long term service plans
- 1.17 Final authorisation of the request must be received from a senior manager at least one level above the line manager for this to be approved. If this is not possible due to the position in the structure consideration should be given to taking this decision to the remuneration committee or an equivalent decision-making body within the CCG.
- 1.18 If the request is agreed, there must be at least a 2-week break between employments, to include a minimum 24-hour break in pensionable employment to satisfy the requirements of the NHS Pension scheme. A written record of the decision should be made and kept on the employee's personal record.
- 1.19 Members of the 1995 section must work less than 16 hours per week within one calendar month of retirement, and/or be under the normal retirement age, to avoid their pension being suspended. This restriction does not apply to members of the 2008 section.

- 1.20 Employees who are in receipt of any earnings-related protection will lose that protection on their return to work following the break in service.
- 1.21 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 (para 16.6 of NHS Terms and Conditions). Where an employee takes their pension benefits and returns to work at the CCG, reckonable service will begin from the date of return to employment after the break in service.
- 1.22 Employees who retire and take their pension benefits before returning to work will not be able to re-join the NHS Pension Scheme.

### **Draw down (partial retirement)**

- 1.23 Members of the NHS Pension Scheme – 2008 section may elect to partially retire and take some of their benefits. 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%.
- 1.24 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.

### **Voluntary early retirement (VER)**

- 1.25 An employee may opt to take VER at any time from the minimum pension age applicable to the scheme they are, or have been, a member of provided they have at least 2 years membership. The minimum retirement age is 50 for members of the NHS Pension Scheme - 1995 section, and 55 for members of the NHS Pension Scheme - 2008 section. For employees who joined the NHS Pension Scheme – 1995 section for the first time on or after 6<sup>th</sup> April 2006, or previously left the Scheme before 31<sup>st</sup> March 2000 with deferred benefits and re-joined on or after 6<sup>th</sup> April 2006, the minimum retirement age is 55.
- 1.26 An estimate of pension benefits can be requested from the Pensions Officer however; final figures will be calculated by NHS Pensions. Employees considering VER, who have NHS Pension Scheme membership prior to 5<sup>th</sup> April 1997, must request the Guaranteed Minimum Pension (GMP) check from the Pensions Officer in the first instance. VER cannot go ahead unless the GMP check has been passed.
- 1.27 To leave employment due to voluntary early retirement the employee must resign from their employment, giving the appropriate contractual notice. They will be expected to take all accrued annual leave prior to their leaving date.

### **Late retirement**

- 1.28 Employees who remain in employment beyond the normal retirement age, and remain in the NHS Pension Scheme, may continue to earn benefits to age 75 or until they reach 45 years membership. There are no provisions to increase benefits for members of the 1995 section if they are paid late. Members of the 2008 section will have any pension earned before age 65 increased to take account of the fact that it is being paid later than the normal retirement age.

### III Health Retirement

- 1.29 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, (see Organisational Change policy), 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.
- 1.30 If an application for ill-health retirement is made, this constitutes a mutual decision that the employee is unable to fulfil their contractual obligations due to their ill-health condition and therefore a termination date will be agreed between the individual and their line manager.
- 1.31 Where ill-health retirement is identified as an option, the employee will be provided with an estimate of pension benefits from the Pensions Officer. The application must be made on the appropriate form which is available from the NHS Pensions Agency.
- 1.32 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 enhanced Tier 2 pension may be paid dependent upon this decision. Further information may be obtained from Human Resources in the first instance.



NHS Blackburn with Darwen Clinical Commissioning Group  
NHS East Lancashire Clinical Commissioning Group

**Appendix 1**

**APPLICATION TO RETIRE AND RETURN TO WORK FORM**

NAME:

JOB TITLE:

CURRENT WORKING HOURS PER WEEK:

Please explain your proposal for retiring and returning to work taking into account all factors highlighted in section 1.16 of this policy. If it is your intention to change your working arrangement in any way (i.e. hours, role) please explain this below (continue on a separate sheet if necessary).

SIGNATURE:

DATE:

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LINE MANAGER AGREEMENT:

I agree to the above request having considered all factors / I agree to the request with the following additions/amendments:

SIGNATURE:

DATE:

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AUTHORISING MANAGER:

I hereby approve the request for the above-named person to retire and return.

SIGNATURE:

DATE:

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## Appendix 2

### Equality Impact Assessment



Retirement Policy  
EIA