RETIREMENT POLICY

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<table>
<thead>
<tr>
<th>Reference number</th>
<th>WHHT: &lt;HR071</th>
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<tr>
<td>Version</td>
<td>9</td>
</tr>
<tr>
<td>Author</td>
<td>Annette Behagg</td>
</tr>
<tr>
<td>Date ratified</td>
<td>January 2015</td>
</tr>
<tr>
<td>Committee/individual responsible</td>
<td>Joint Consultative Committee</td>
</tr>
<tr>
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<td>January 2015</td>
</tr>
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<td>January 2017</td>
</tr>
<tr>
<td>Target audience</td>
<td>All WHHT Staff</td>
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<tr>
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<td>Retirement</td>
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CONTRIBUTION LIST

Key individuals involved in developing this version of the document

<table>
<thead>
<tr>
<th>Name</th>
<th>Designation</th>
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<tr>
<td>Annette Behagg</td>
<td>HR Adviser</td>
</tr>
<tr>
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<td>HR Advice Centre Manager</td>
</tr>
</tbody>
</table>

Approved by Committee (date)

Change History

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
<th>Author</th>
<th>Reason</th>
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<tbody>
<tr>
<td>Version 9</td>
<td>December 2014</td>
<td>Annette Behagg</td>
<td>Legislative changes</td>
</tr>
<tr>
<td>Version 8</td>
<td>November 2011</td>
<td>Caroline Lankshear</td>
<td>New retire and return procedure</td>
</tr>
<tr>
<td>Version 7</td>
<td>July 2011</td>
<td>Laura Bevan</td>
<td>Change in legislation</td>
</tr>
<tr>
<td>Version 6</td>
<td>November 2010</td>
<td>Caroline Lankshear</td>
<td>Change to retirement grants</td>
</tr>
<tr>
<td>Version 5</td>
<td>April 2009</td>
<td>Caroline Lankshear</td>
<td>Out of date policy</td>
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1 Introduction

The Trust recognises and values the knowledge and skills acquired by employees during their employment. The purpose of this policy is to outline the arrangements and options available to all employees approaching retirement including flexible retirement.

Retirement is a time of great importance in a person’s life and therefore the Trust is committed to giving employees who are retiring the appropriate guidance and support to ensure their transition into retirement (flexible or otherwise) is conducted in a timely, supportive and efficient manner.

The Trust is keen to ensure that there is a seamless transition from paid employment to the receipt of retirement benefits for employees, therefore minimising any disruption in pay received. This policy will therefore detail the responsibilities of both the Trust and the employee approaching retirement necessary to ensure that this happens.

2 Objectives

The purpose of this policy is to produce a unified Trust approach to dealing with retirement. The policy has been produced to ensure that appropriate information is presented in a standard format, is easily accessed by all staff and the process for retirement is clear to all.

3 Scope

This policy applies to all employees of West Hertfordshire Hospitals NHS Trust.

4 Equality and Diversity Statement

It is the policy of the West Hertfordshire Hospitals NHS Trust to provide all employees with the knowledge and opportunity to choose the most appropriate retirement option for them, whether this be permanent retirement from the Trust or a more gradual and flexible approach.

This document takes into account current employment legislation and must be implemented in conjunction with the Trust’s Equalities Framework, The Trust’s Equal Opportunities Policy and Procedure and equality and diversity legislation:

- Sex Discrimination Act 1975 (as amended)
- Race Relations Act 1976 & Amendment 2000
- Disability Discrimination Act 1995
- Rehabilitation of Offenders Act 1974
- Religion or Belief Regulations 2003
- Sexual Orientation Regulations 2003
- Age Discrimination Regulations (2006)
- Employment Rights Act 1996
- Equal Pay Act 1970 (as amended)
- Human Rights Act 1998
- Part-time Workers Directive 1999
- Employment Act 2002
- EU Directives and Legislation
- Equality Act 2010
This policy has also been developed in consideration to the Trust values that underpin everything we do as an organisation. In particular, writing of this policy has involved specific attention being made to ensure the values of involving others, being transparent, demonstrating leadership, being proud, working in partnership, and adding value are incorporated into the content.

Managers have a particular responsibility to ensure their management practices do not discriminate in the provision of their service or in the employment of staff. The Trust monitors and publishes information on the profile of its workforce based on age, disability, ethnicity, gender and marital status and appropriate actions will be taken by the Equality & Diversity Group to identify and address any problems.

5 Responsibilities

5.1 Line Manager Responsibilities

- To ensure that employees are aware of this policy
- To have open discussions with all employees about their future plans and provide advice and guidance in accordance with this policy
- To complete appropriate paperwork relating to retirement and send to Payroll in a timely way (including retirement grants and notification of retirement forms). For employees who wish to take their pension, Payroll will require the leaver form at least 4 months before the retirement date
- To submit an approval form (Appendix 4) to the Workforce Review Panel where an employee requests to retire and return
- To support and encourage employees to attend pre-retirement courses

5.2 Employee Responsibilities

- To give the Pensions Department at least 4 months’ notice (where possible) of their plan to retire so that pension benefits can be arranged
- To communicate with their manager about their future plans including any plans for retirement as early as possible to support the succession planning process
- To give notice of their plan to retire by writing a letter to their manager in accordance with the notice periods set out in their employment contract
- To complete the Retire and Return Request form (Appendix 3) if the employee wishes to retire, take their pension and then return to work on reduced hours
- To attend pre-retirement courses as appropriate

5.3 Human Resources Responsibilities

- Assist managers and employees with the application of this policy and provide guidance where necessary
- Provide regular pre-retirement courses for employees to help them plan for retirement
6 Definitions

**Retirement**
Choosing to permanently end employment. There is no longer any default retirement age and so employees can choose to retire at whatever time suits their circumstances best.

**Flexible retirement**
Choosing to gradually wind down to retirement and / or draw pension entitlements and return to work with less hours or responsibilities.

**Normal Pension Age (NPA)**
The age at which employees can claim full pension entitlements following retirement.

**State Pension Age (SPA)**
The age at which an employee may claim their state pension benefits.

**Total Reward Statement**
Personalised statement available from the NHS Pensions Agency that shows an employee’s NHS employment package including specific benefits provided by the employer.

**Annual Benefits Statement**
Personalised statement available from the NHS Pensions Agency that shows a summary of all accrued NHS Pension benefits.

**Step Down**
Choosing to work in a lower-banded role in the lead up to full retirement.

**Wind Down**
Choosing to remain in the same role and grade, but reducing hours and / or shifts in the lead up to full retirement.

**Draw Down**
Choosing to continue working whilst receiving between 20% and 80% of their pension entitlements.

**Late Retirement Enhancement**
Increase in pension benefits resulting in working beyond the Normal Retirement Age.

**Early Retirement Reduced Buy Out**
An employee or employer buying additional pension contributions so that they may retire before NPA.
Retire and Return

Choosing to claim full pension benefits whilst returning to NHS work.

7 Procedure for Retirement

7.1 Employee Retirement

Employees may voluntarily retire at a time of their choosing and may draw their pension in accordance with the NHS Pension Scheme rules. The default retirement age is no longer applicable in accordance with equality legislation and so employees may choose their own retirement date depending on when is most appropriate to their circumstances.

Employees will need to give notice of their intention to retire resign (flexibly or otherwise) by writing to their line manager who must then complete a leaver form and send this to Payroll. This must be fully completed no later than 4 months prior to the date of intended retirement to ensure that there is no interruption in pay received between the final salary and pension benefits.

The manager should also then complete the Retirement Grant form (Appendix 1) and the Notice of Retirement form (Appendix 2) as appropriate.

7.2 Retirement Due to Ill Health

Those employees who are members of the NHS Pension Scheme may, in certain circumstances, be considered for retirement on the grounds of ill health. For further details on ill health retirement, please refer to the Management of Sickness Absence Policy, available on the Intranet at [http://wghintra01/uploads/out/Sickness_Absence_Policy_Ratified_June2010.pdf](http://wghintra01/uploads/out/Sickness_Absence_Policy_Ratified_June2010.pdf)

7.3 Flexible Retirement Options for Employees in the Pension Scheme

From April 2015, the Normal Pension Age (NPA) that employees can receive their pension under the 2015 NHS Pension Scheme arrangements (without reduction for early payment) will be set equal to their State Pension Age (SPA). For 70% of NHS staff this will mean their pension age is between 65 and 68 years old. For example, if an employee were born in 1971 their state pension age is 67, but if they were born in 1983 then it is 68.

From April 2015 employees may have membership in more than one part of the NHS Pension Scheme. If this is the case, then the options available for flexible retirement will vary according to how many different schemes the employee has accrued pension entitlements within.

The different types of flexible retirement options are shown below along with confirmation of which schemes an employee must have accrued pension entitlements within in order to qualify for the right to request that type of flexible retirement. Put simply, the option chosen must be applicable to all of an employee’s pensionable membership.
You can find out which section or scheme you are in through your Total Reward Statement or Annual Benefits Statement.

### 7.3.1 Step Down

The employee can ‘step down’ to a different role to reduce the level of responsibility whilst remaining in NHS employment.

Depending on their age at the time they step down, the employee may be able to protect a higher level of pay for the calculation of their future pension benefits so that the impact of a lower-graded band only affects the future pension earned after stepping down.

This option may support employees to remain in work in the run up to NPA as working at a lower level may feel more achievable and may be more financially advantageous rather than retiring from the organisation completely (see retire and return information below).

### 7.3.2 Wind Down

The employee can ‘wind down’ to retirement by remaining in their current post, but reducing the number of hours or days they work. Pensions for part-time employees are calculated on the whole time equivalent salary and not the actual salary. Therefore, the only impact this may have is on the length of their membership, as it will take longer to build up future membership if you are working less than full time hours.

For example, if the employee winds down to work half-time hours it will take two years to build up one year of pension benefits, but the final salary used to calculate benefits will not be affected so long as the salary band or level remains the same. If the salary band or level reduces, please see the previous information on step down.

### 7.3.3 Draw Down

This option may support the employee to remain in work for a longer period of time before retirement and could be used in conjunction with a flexible working request.

This option allows employees to take part of their pension benefits and continue in NHS employment. Employees can take between 20% and 80% of their pension benefits and continue to build up future membership in the scheme. Employees can draw down on up to 2 occasions before retiring completely. However, if the benefits are paid before age 65, the benefits would be reduced as they are being paid early.
8 Late Retirement Enhancement

If an employee chooses to continue working past NPA and has not drawn down from their pension at all, then the pension benefits will be increased by the application of late retirement factors.

The employee can benefit from working longer to achieve an increase in pension benefits when they come to draw their pension.

9 Early Retirement Reduced Buy Out

This new provision to the 2015 NHS Pension Scheme allows employees (and / or their employer) to make additional contributions to the scheme that will allow them to retire earlier than their NPA without any early retirement reduction.

There is a restriction on how much sooner they may retire in relation to the NPA, and therefore they must over 65 years of age and within 3 years of NPA. This is known as ‘buying out’ the early retirement reduction that would otherwise apply.

For example, a member of staff with an NPA of 68 could make arrangements to buy out three years’ worth of early retirement reduction so that they can retire at age 65 without suffering any reduction in the pension benefits. However, a member of staff with a future NPA of 66 could only buy out a one-year reduction, allowing them to retire at age 65. They could not buy out the full three years as this would take their retirement below age 65.

10 Retire and Return

By agreement, an employee can retire and receive pension benefits and return to work (subject to availability) on either a bank, part-time or full-time basis.

10.1 Retire and Return Procedure

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

If an employee retires from the 1995 section they may return to NHS employment but cannot continue to contribute to the NHS Pension Scheme.

If they retire from the 2008 section or the 2015 scheme, they may return to NHS employment and will be able to continue contributing to the NHS Pension Scheme.

Where an employee would like to retire and return i.e. so that they can claim their pension and then return to work, they must complete the appropriate request form (Appendix 3) and submit this to their line manager. The manager should then complete the form in Appendix 4 and send this to the Workforce Review Panel for approval.

There is no guarantee that any request for an employee to retire and return will be granted. The underlying principles of retire and return are to support employees who wish to retire and reduce their work commitments in the lead up to taking full retirement. In consequence, requests to retire and then return on the same hours will not normally be approved.

The manager will confirm to the employee in writing within 28 days of receiving the request whether it has been approved. If the request is not granted, the employee will have the
option to either retire on the date agreed by their manager or continue working in their
current role without drawing their pension. In this case the employee will not be subjected to
any detriment based on their indication to retire.

If the request is approved, the employee will receive an offer letter and a new contract of
employment.

For requests that are approved, there must be a minimum of a 24-hour break in service and
during the first month post claiming pension benefits, the employee must not work more than
16-hours per week.

11 Further Information on Pensions

For further information on retirement, please contact the Pensions Office at Watford General
Hospital or visit the NHS Pensions Agency website: http://www.nhsbsa.nhs.uk/pensions

12 Retirement Grants

All employees who have 20 or more years NHS service on retirement are eligible for a
retirement grant. This service need not be continuous. The value of the grant is dependent
on length of NHS service:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Value of Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 – 29</td>
<td>£200</td>
</tr>
<tr>
<td>30 +</td>
<td>£300</td>
</tr>
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</table>

The grant currently takes the form of John Lewis gift card. The Trust cannot give cash or a
cheque, as these are liable to tax. The vouchers are “ex-gratia” and will be issued after the
end of employment. To apply for the grant, the manager should complete the form in
Appendix 1.

Managers of employees who have 20 or more years NHS service on retirement are able to
claim up to £100 for a party to be hosted within the Trust.

Managers of employees who have 20 or more years NHS service on retirement are required
to notify the Director of Workforce of the date of the party by using the form in Appendix 2.

For further information on retirement grants and to verify service please contact the Payroll
department.

13 Evaluation Measures

13.1 Monitoring

The Workforce Planning department will log employee retirement dates on the Electronic
Staff Record and report on these to help inform workforce planning.
13.2 Audit & Review

This policy is expected to be reviewed within 3 years (or earlier to reflect any legislative changes) but if this is deemed unnecessary the policy will remain in force until such time as it is reviewed.

14 References


15 Related Policies

Managing Sickness Absence Policy and Procedure
Flexible Working Policy

16 Equality Impact Assessment Statement

<table>
<thead>
<tr>
<th></th>
<th>Yes/No</th>
<th>Comments</th>
</tr>
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<tbody>
<tr>
<td>1. Does the policy/guidance affect one group less or more favourably than another on the basis of:</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Race</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Ethnic origins (including gypsies and travellers)</td>
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<td></td>
</tr>
<tr>
<td>Nationality</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Culture</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Religion or belief</td>
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<td></td>
</tr>
<tr>
<td>Sexual orientation including lesbian, gay and bisexual people</td>
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<td></td>
</tr>
<tr>
<td>Age</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Disability - learning disabilities, physical disability, sensory impairment and mental health problems</td>
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<td></td>
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<tr>
<td>Marriage &amp; Civil partnership</td>
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<td></td>
</tr>
<tr>
<td>Pregnancy &amp; maternity</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>2. Is there any evidence that some groups are affected differently?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>3. If you have identified potential discrimination, are any exceptions valid, legal and/or justifiable?</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>4. Is the impact of the policy/guidance likely to be negative?</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>5. If so can the impact be avoided?</td>
<td>n/a</td>
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</tbody>
</table>
6. What alternatives are there to achieving the policy/guidance without the impact?  n/a

7. Can we reduce the impact by taking different action?  n/a

17  Policy and Procedure Sign-off Sheet

Policy Name and Number:

Version Number and Date: No:

Service Location: PLEASE INSERT SERVICE LOCATION

All staff members must sign to confirm they have read and understood this policy.

<table>
<thead>
<tr>
<th>Name</th>
<th>Signature</th>
<th>Name</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>
RETIREMENT GRANT REQUEST FORM

The person named below is due for retirement shortly and I request that consideration be given to a retirement grant.

<table>
<thead>
<tr>
<th>Name</th>
<th>Date of Birth</th>
<th>Dates of service From</th>
<th>Dates of service To</th>
<th>Retirement Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Department _______________________________________________________
Cost Centre (Must be entered) _______________________________________
Managers Name ___________________________________________________
Managers Signature _____________________________________________
Date __________________________ Contact No _______________________

Please note that previous NHS experience qualifies.

You will receive John Lewis gift card.

You are also eligible for £100 towards any retirement party to be hosted within the Trust. Refunds will only be given on the production of receipts.

CONFIRMATION OF SERVICE HISTORY (Payroll department):

<table>
<thead>
<tr>
<th>Dates of service From</th>
<th>Dates of service To</th>
<th>Verifying advisers’ signature</th>
<th>Verifying advisers’ printed name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signature ______________________ Approved payment of £ ____________
Designation __________________ Date ______________

[Finance Department]

Send to Finance Department once service dates verified by Payroll.
NOTIFICATION OF RETIREMENT

To be completed by the line manager in conjunction with the employee

Name of Employee: ____________________________________________________________

Post: ______________________________________________________________________

No. of Years Service: _________________________________________________________

Retirement Date: _____________________________________________________________

Date of Retirement Party: _____________________________________________________

Time: ___________ Venue: _________________________________________________

Managers Name: _________________________ Ext. No: ______________

If the employee is willing to share information about their plans for retirement, please outline these below:

Copy to: Director of Workforce
         Communications Dept
REQUEST FOR RETIRE AND RETURN FORM

Name of Employee ……………………………………………………………

Job Title ………………………………………………………………………

Site ……………………………………………………………………………

Department …………………………………………………………………

I confirm that I wish to retire on ………………. and return on…………………
(please confirm date) (please confirm date)

AND (if you so wish)

I wish to change my hours to ………………………………………. (please enter details)

Is there any additional information / special circumstances that you want the Manager to consider?

Medical and Dental staff only:

Please indicate what your proposed new job plan will be below:

Signed ………………………………………………………………………

Date ………………………………………………………………………

Return Completed Form to: Line Manager with a copy to your Human Resources Adviser
Appendix 4

Approval for Retire & Return

Please complete all sections and forward to your Divisional Manager or Corporate Head of Service / Director and Finance Manager for Authorisation

Section A – Post Details

<table>
<thead>
<tr>
<th>Title of Post</th>
<th>Department &amp; Site</th>
<th>Pay Band</th>
<th>Actual Hours</th>
<th>Hospital Base</th>
<th>Whole Time Equivalent</th>
<th>Cost centre</th>
<th>Account Code</th>
</tr>
</thead>
</table>

Has the job description for this post been matched by an AFC panel? Yes

Do you support the employee’s request to retire and return. If yes

Please provide specific details as to why the Trust should support this request. What specific skills does this individual have? What are the benefits to the service for retaining the individual?

If you do not support the request, please give reasons why

If the employee has requested to come back on reduced hours, what is your plan for the remaining hours (e.g. is it a saving or will you recruit to the remaining hours?)
Authorisation
Please ensure you type your authorisation below.

Signed by Line Manager__________________________________________
Date___________________________________________________________

Signed by Divisional Manager_______________________________________
Date___________________________________________________________

Signed by Divisional Accountant: _________________________________
Date:___________________________________________________________

Workforce Panel Outcome

Approved □ Deferred / Held Back □ Rejected □

Comments / Actions:

______________________________________________________________

______________________________________________________________

______________________________________________________________

Signed by: ___________________________ Date: ___________________________