

## RETIREMENT POLICY AND PROCEDURE

### SUMMARY

The Retirement Policy and Procedure sets out the guiding principles for ensuring that all employees considering retiring from the Trust are aware of the choices available to them and are given the facilities to make proper preparation for their retirement. The procedure explains the responsibilities of the manager, Human Resources and the employee when considering the option of retirement.

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### 1. INTRODUCTION

1.1 The Royal Marsden NHS Foundation Trust (hereinafter called the Trust) is committed to ensuring that all employees retiring from the Trust are aware of the choices available to them and are given the facilities to make proper preparation for their retirement in accordance with equal opportunities and statutory requirements.

### 2. PURPOSE AND SCOPE

2.1 The Retirement Policy and Procedure apply to all employees directly employed by the Trust.

2.2 The Trust believes in providing equity in its services, in treating people fairly with respect and dignity and in valuing diversity as a provider of cancer care and as an employer. These principles will apply in the application of this policy and procedure.

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### 3. PRINCIPLES

- 3.1 The policy and procedure sets out the retirement planning process that managers and employees must follow when considering the option of retirement.
- 3.2 It highlights that employees have alternatives leading up to formal retirement through flexible retirement options including step down, wind down and retire and return.
- 3.3 There is no right to retire and return to work. A return to work will be dependent on the business needs in each case and will be on a fixed term basis of no longer than twenty three months inclusive of annual leave and after a two week break in service.
- 3.4 The policy and procedure confirms the Trust's commitment to a positive approach to equal opportunities in the employment of employees irrespective of their age.
- 3.5 The Trust has a statutory duty to prevent discrimination on the grounds of age. The Trust will ensure that the application of any part of this policy and procedure does not have the effect of discriminating, directly or indirectly, against employees and is in accordance with the aims set out in the Trust's Equality and Diversity Policy.

### 4. ROLES AND RESPONSIBILITIES

#### 4.1 Managers are responsible for:

- Participating fully in pre-retirement planning with employees and ensuring that the processes contained in this policy and procedure are adhered to in the required timescales. It is important that line managers ensure consistent application of the policy within their area of responsibility.
- Asking all employees, irrespective of age, about their aims and aspirations for the short, medium and long term as part of the annual performance appraisal and development review process. This is in order to support managers to plan their workforce, organise appropriate training and development and succession plan.
- Following receipt and acknowledgement of written notification to retire from an employee, complete the necessary e-leavers form.

#### 4.2 Human Resources are responsible for:

- Providing advice and support to managers and employees in the practical application of the policy and procedure.
- Monitoring its application to ensure it is applied in a fair and consistent way across the Trust.

#### 4.3 Employees are responsible for:

- Fully engage with their line manager in discussing their aims and aspirations for the short, medium and long term as part of the annual performance appraisal and development review process.

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- Notifying their line manager of their intended retirement date, following the guidance in Section 11.
- Making any application for flexible retirement through their line manager and in accordance with the Trust's Flexible Working Procedure.
- Managing their pension. All pension queries need to be directed to the SBS Payroll Helpdesk.
- Completion of NHS Pension Scheme forms via SBS Pension Team.

#### 4.4 Payroll and Pension are responsible for:

- Providing information to the employee to enable them to make informed decisions.

For all Payroll related & NHS Pensions enquiries, please contact the SBS Payroll Helpdesk on telephone number 0303 123 1144 or by accessing the SBS portal. If you are not already registered to use the portal just visit <https://nhssbs.microsoftcrmportals.com/> and register using your assignment number or employee ID. You will then receive an email invitation to join the portal.

## 5. RETIREMENT AGE

- 5.1 The Trust operates a flexible retirement policy and procedure without any set retirement age, confirming its commitment to employing employees of all ages.
- 5.2 The Trust recognises the contributions of a diverse workforce, including the skills and experience of older employees. It believes that employees should, wherever possible, be permitted to continue working for as long as they wish to do so. Employees may voluntarily resign from their position and retire at a time of their choosing.

## 6. FLEXIBLE RETIREMENT

- 6.1 The Trust recognises the benefits in offering the opportunity of flexible retirement. Experienced employees have a great deal to offer the Trust later in their careers, particularly in terms of knowledge and skills. Flexible retirement also allows ample time for adequate succession planning to ensure continuity of Trust services.
- 6.2 Alternative options to formal retirement are dependent on which part of the pension scheme the member is in and may be subject to the agreement of the employee's line manager. They include: -
- **Wind down:** as an alternative to retiring, employees can opt to wind down by working fewer days or hours in their current post.
  - **Step down:** employees who do not want to leave work altogether, but who would like a role which carries less responsibility than their current role, can step down into a less demanding role that still makes use of their skills and experience. The Trust is unable to create new roles for this to happen and service provision must be maintained.

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- **Retire and return to NHS employment:** employees who have reached the minimum pension age can opt to retire, claim their pension benefits and request to return to NHS employment. The rules on retiring and returning vary according to whether you are in the 1995, 2008 or 2015 section of the NHS pension scheme. Further information on retiring and returning to work can be found in section 13.
- **Draw down:** in the 2008 section and the 2015 scheme draw down allows employees to take part of their pension benefits and continue in NHS employment; providing they reduce their hours of work. The reduction in hours is not guaranteed and should be applied for using the Trust's Flexible Working Procedure.
- **Late retirement enhancement:** employees in the 2008 section and 2015 scheme can choose to retire later than their Normal Pension Age (NPA) and their pension benefits will be increased by the application of late retirement factors.
- **Early retirement reduced buy out:** in the 2015 scheme members or employers can pay additional contributions to buy out, or reduce, the actuarial reduction that would be applied to their pension were they to retire before their NPA.

6.4 It is the employee's responsibility to ensure that, when deciding upon a particular course of action, they are fully aware of the financial implications it will have on their pension.

6.5 Employees should contact the Payroll Helpdesk for specific pension advice to clarify how their pension entitlement may be affected, and/or employees may wish to take independent financial advice before making any decisions. Payroll can be contacted on 0303 123 1144 or by completing the web enquiry form at <https://www.nhsbsa.nhs.uk/nhs-pensions>.

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## 7. FLEXIBLE RETIREMENT PROCEDURE

	Procedure	Managerial approval needed
Wind down	Request to reduce your hours through your line manager.  There is no right your request being agreed and would need to be within the needs of the service.  Contact the Payroll Helpdesk for a forecast.	Yes
Step down	Apply for a new role through recruitment process or request transfer through your line manager.  There is no right on the transfer being agreed and would need to be within the needs of the service.  Contact the Payroll Helpdesk for advice regarding protection.	Yes
Retire and return	See procedure for retire and return in section 13.	Director approval required
Draw down	Contact the Payroll Helpdesk for estimates and advice on the scheme	No
Late retirement enhancement	Contact the Payroll Helpdesk for estimates and advice on the scheme	No
Early retirement reduced buy out	Contact the Payroll Helpdesk for estimates and advice on the scheme	No

## 8. RETIREMENT OPTIONS AND THE NHS PENSION SCHEME

- 8.1 On 1 April 2015, a new section of the NHS Pension Scheme was introduced. It covers all transitioning and new NHS employees from that date. For full details visit <https://www.nhsbsa.nhs.uk/>.

Active membership of the 1995 and 2008 Sections of the NHS Pension Scheme has ceased for those employee not eligible for full or tapered protection. There are some members who are entitled to remain in the 1995/2008 Scheme through Protection arrangements. Further information about Protection arrangements is available at [www.nhsbsa.nhs.uk/Pensions](http://www.nhsbsa.nhs.uk/Pensions).

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- 8.2 Normal Pension Age (NPA) is the age at which a member of the NHS Pension Scheme can retire and draw their benefits in full. In the 1995 and 2008 Sections NPA is fixed at 60 or 65 respectively, except where a 1995 Section member becomes entitled to an earlier NPA based on reserved rights. In the 2015 Scheme, a member's NPA is linked to the member's state pension age (SPA).
- 8.3 Members with Special Class/Mental Health Officer (MHO) Status.

Nurses, midwives, health visitors and physiotherapists in post on or before 6 March 1995 who have not had a break in pensionable employment of any one period of five years or more, may have the right to retire from an NPA of 55 without a reduction to their pension. MHOs in post on or before 6 March 1995 with at least 20 years' MHO membership, who have not had a break in pensionable employment of any one period of five years or more may also have the right to retire from 55. To be eligible for Special Class or MHO status and the right to retire from an NPA of 55 certain criteria must be met. As long as all roles/employment maintained the requirement of the Special Class/Mental Health Officer (MHO) status.

Further information detailing these criteria can be found in the Special Class and MHO factsheets available from <http://www.nhsbsa.nhs.uk/pensions>.

## 9. EARLY RETIREMENT

- 9.1 Employees may choose to retire early and draw an actuarially reduced pension. An employee within the 1995 section of the scheme can take early retirement at age 50 if they joined the scheme before 6 April 2006 and have not had a break of 5 years or more otherwise the minimum pension age is 55. The minimum pension age for employees within the 2008 and 2015 sections is 55.
- 9.2 Employees who take voluntary early retirement before their normal pension age will have their benefits reduced to account for drawing their pension for a longer period. However, there is a new reduction buy-out facility in the 2015 scheme which allows members of the 2015 pension scheme with an NPA higher than 65 to pay additional contributions to reduce or, in some cases, remove any early retirement reduction that would apply to their 2015 scheme benefits if they retire before their NPA.

## 10. ILL HEALTH RETIREMENT

- 10.1 If an employee has at least two years' membership of the NHS Pension Scheme and is too ill to work in their present job, they may wish to apply to NHS Pensions for consideration of entitlement to ill health retirement benefits. The outcome of all applications is decided by the Medical Advisers to NHS Pensions and not by the Trust as the employer.
- 10.2 There are two tiers of ill health retirement and the benefits an employee receives will depend on whether or not they are capable of undertaking employment elsewhere. The minimum pension age does not apply in the case of ill health retirement.

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- 10.3 To be considered for ill health retirement an employee of any age, full time or part time, must have at least two years' membership of the NHS Pension Scheme (or have at least two years' preserved benefits).
- 10.4 Retirement on the grounds of ill health is covered in the Trust's Policy for Managing Sickness Absence and associated Managing Long Term Sickness Absence Procedure.

## 11. STATE RETIREMENT PENSION

- 11.1 Entitlement to State Retirement Pension begins at the agreed State Pension Age and employees are encouraged to visit <https://www.gov.uk/state-pension/eligibility> for more information.

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## 12. NOTIFICATION OF RETIREMENT

- 12.1 A retirement is in effect a resignation. Employees are under no obligation to give a longer notice period than that stated in their contract. However, pension administration requires at least 4 months' notification to ensure pension benefits are processed. Therefore, where an employee has decided to retire, the employee should give their line manager at least 4 months' written notice of their intended retirement date if they wish to ensure payment of pension benefits in a timely manner. If an employee chooses to provide contractual notice only, payment of pension benefit at the date of retirement cannot be guaranteed. An employee should clearly state their last working day with the Trust in their resignation letter.
- 12.2 At the same time, if the employee is a member of the NHS pension scheme, the employee should request an AW8 pension form from the SBS Payroll Helpdesk. This form should be completed and returned to Payroll as soon as possible. This allows sufficient time for the SBS Pensions Team to process the employee's pension entitlements to ensure a smooth transition once the employee has left. The manager must complete an e-leavers form to inform Payroll of the retirement date.
- 12.3 If the employee wishes to be retained on the staff bank they should indicate this on the leavers form.

## 13. RETIRE AND RETURN

- 13.1 There may be situations where an employee wishes to retire and claim their pension and then return to work. NHS Pensions guidance states that any re-employment post retirement should be in a substantially reduced role. This may include working substantially less hours or undertaking a different role. Employees should not return to work in substantially the same capacity.
- 13.2 An employee who has already retired is able to apply for jobs at The Royal Marsden Trust through the normal recruitment procedure.
- 13.3 Exceptionally there may be occasions when the Trust supports a return to work in the same or similar capacity. For this to be supported there should be a genuine business need to support the employee returning to work in the same post which is financially viable. This may be to provide experienced cover during an absence or to work on a specific project. A genuine business need may exist when the retirement of an employee will:
- Leave a gap in service provision that cannot be filled.
  - Further time is required for succession planning.
  - Leave an inexperienced team or successor who requires time to develop their skills and knowledge.
  - Create a drop-in income to the Trust.
  - Prevent the completion of a research study.
  - Have any other adverse effect on the running of the service or Trust which presents a risk to patients or staff.

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- 13.4 Should any of the above criteria be met then an email request should be made to the Deputy Director of Human Resources to request approval for an employee to retire and return. If the employee is a Consultant, the request should be submitted to the Director of Workforce. The requesting manager should detail in the email which points in section 13.3 are relevant and what the service impact will be if the request was not agreed. If authorised, the request may be agreed on a fixed term basis of no longer than twenty three months depending on the business need.
- 13.5 In cases of retire and return to the same post whilst it will not be necessary to go through an open recruitment process, a Recruitment Planning form must be completed by the line manager in order for the employee to be set up on Payroll and a new contract issued. The line manager should state on the Recruitment Planning form that it is for retire and return purposes and no actual recruitment is required. The duties and duration of the appointment (no longer than twenty three months) should be agreed and new starter paperwork will need to be completed. The duration of the fixed term contract will depend on the reason for the contract but should be no longer than is reasonably expected to address the particular need e.g. the time for a replacement to be appointed and for expertise to be gained as required and in any case should be no longer than twenty three months. Once the Recruitment Planning form has been authorised the employee can resign from their existing post and return under the new contract after the required two week break.
- 13.6 The Trust is under no obligation to re-hire an employee who has chosen to retire.
- 13.7 If the request is agreed, there should be at least a two week break between employments. Post retirement employment will be under a new contract of employment. This break must include a minimum 24-hour break in pensionable employment to satisfy the requirements of the NHS Pension scheme. In addition, for employees who retire on the 1995 scheme, they must work no more than 16 hours a week in the first calendar month after retirement.
- 13.8 Employees can return to work on the same salary (pro-rata) but any pay protection arrangements will cease. Consultants who hold Advisory Committee on Clinical Excellence Awards (ACCEA) distinction awards are no longer able to apply for their award to be reinstated after they return from retirement.
- 13.9 Although a retire and return employee may not be eligible to participate in the NHS Pension Scheme, they may be auto enrolled into the National Employment Savings Trust (NEST) scheme and must actively opt out if this does not suit them.
- 13.10 If an employee is in receipt of an NHS pension under the 1995 Section the employee may not be eligible to re-join the NHS Pension Scheme. Advice should be sought from the Payroll Helpdesk.
- 13.11 If an employee is in receipt of an NHS Pension under the 2008 Section, they can join the 2015 scheme after a 24-hour break if aged under 75 and subject to not exceeding a maximum of 45 years membership in the Scheme. However, the Trust requires a break of two weeks prior to a return to work. They would not be restricted in the hours they work after retirement and they can pay pension once more.

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13.12 An employee in the 2015 Scheme may take their benefits, return to work and start building a new pension in the 2015 scheme providing they are under age 75.

13.13 In instances where age pensions are awarded between ages 55 to 59 to members of the Special Classes/Mental Health Officers, abatement applies where the earnings from re-employment plus the gross annual pension exceeds the earnings before retirement. The reduction can be up to the total value of the annual pension and will continue until the employee reaches age 60 or the earnings from re-employment reduce sufficiently. This rule could impact an employee's decision and may restrict some employees if they return to work.

#### 14. PRE-RETIREMENT COURSE

14.1 The Trust offers a pre-retirement course suitable for employees who are planning to retire within the next five years. Details are available through the Learning Hub.

#### 15. USEFUL CONTACTS AND PENSIONS ADVICE

##### 15.1 The Trust's Pensions Service

The Trust's Pensions service is outsourced and is one of the services provided under the Trust's contract with NHS Shared Business Services. Employees are asked to contact the Payroll Helpdesk in relation to any questions about their pension.

The Helpdesk can be contacted as follows:

<b>Primary Number:</b>	<b>Web Enquiry Form:</b>
0303 123 1144	<a href="https://www.nhsbsa.nhs.uk/nhs-pensions">https://www.nhsbsa.nhs.uk/nhs-pensions</a>

##### 15.2 NHS Pensions

Further information including information on lifetime and annual allowances is available from the NHS Pensions website: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). The website includes links to the Pension Scheme rules and benefits, member guides and frequently asked questions.

##### 15.3 Pension Webinars

NHS Shared Business Services have scheduled webinars to help employees and employers understand the process of retiring and claiming benefits from the NHS Pension Scheme, and when to submit a retirement application.

These webinars cover the following:

- 1995/2008 and 2015 Schemes
- How are Pensions Benefits calculated
- Normal and Early Retirement
- Applying for Pension Benefits
- Working after retirement.

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Dates and information are circulated via the Trust's Bulletin. The Trust also has a number of pension seminars that it runs from time to time and information on these can be found on the intranet.

#### 15.4 DWP - Department for Work and Pensions

Advice about pensions and retirement planning can be found on the DWP's website: <https://www.gov.uk/browse/working>. The section includes the latest information about the State Pension and related guidance on tax and National Insurance.

#### 15.5 NHS Employers

The NHS Employers website has a range of information about pensions, contribution rates and information on pension taxation through the annual and lifetime allowances, which can be found at: <https://www.nhsemployers.org/pay-pensions-and-reward/pensions>.

### 16. POLICY REVIEW

16.1 Overall responsibility for the Retirement Policy and Procedure rests with the Director of Workforce.

16.2 This procedure and the associated policy will be reviewed at the date stated and may be subject to change at that time or at an earlier date if necessary, subject to consultation with staff representatives recognised for that purpose.

### 17. LINKED TRUST POLICIES

17.1 This procedure should not be used in a way that breaches any of the Trust's other policies. This includes, but is not limited to, the following policies:

- [Recruitment and Selection Policy and Procedure](#)
- [Flexible Working and Employment Break Policy and Procedure](#)
- [Equality and Diversity Policy](#)

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## Appendix 1 - Retirement Flexibilities – NHS Pension Scheme

Flexibilities within the NHS Pension scheme can enable members to take a different approach to retirement. They enable them to work to a later retirement age in a way that can meet their needs and those of the organisation they work for. These flexibilities must be discussed between a staff member and an employer to reach an agreement about how they will be applied on an individual basis.

	1995 Section	2008 section	2015 scheme
<b>Step down</b> Staff can 'step down' to a different role for example to reduce their level of responsibility while remaining in NHS employment. This supports the organisation to retain the individual's skills and experience while supporting the staff member to approach retirement.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Wind down</b> Staff can 'wind down' to retirement by remaining in their current post but reduce the number of hours or days they work.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Retire and return to NHS employment</b> Staff who have reached the minimum pension age can choose to retire claim their pension benefits and then return to NHS employment.	<input checked="" type="checkbox"/> *	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Draw down</b> Members can take part of their pension benefits and continue in NHS employment. This means that staff can continue working while benefitting from being able to partially draw down their pension benefits and supplement their income.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Late retirement enhancement</b> If a member chooses to retire later than their normal pension age (NPA) their pension benefits will be increased by the application of late retirement factors.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Early retirement reduction buy out (ERRBO)</b> Members or their employers can pay additional contributions to buy out or reduce the actuarial reduction that would be applied to their pension were they to retire before their normal pension age.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

\*Members of the 1995 section will not be eligible to re-join the NHS Pension Scheme on their return to employment.

Information from NHS Employers

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