

RETIREMENT POLICY

DOCUMENT CONTROL

Policy Title:	HR23 – Retirement Policy	
Purpose:	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.	
Supersedes:	Former PCT Policy / FWCCG Retirement Policy v2	
This policy applies to:	All employees within FWCCG and BCCG including employees on temporary or fixed terms contracts. It does not apply to contractors or self-employed consultants	
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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 compulsory redundancy grounds.
- 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. The 2015 section offers flexibility around retirement and you can choose to take part or all of your benefits between ages 55 and 75. If you wish to take all of your benefits you must end your contract of employment/for services and not return for 24 hours.
- 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. The normal retirement age for the 2015 section is the same as your state pension age or age 65 if that is later.
- 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.
- 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 and procedure will be reviewed periodically. 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 subject to the agreement of the organisation. This is a different option to those listed above and therefore should be considered under the Flexible Working Policy.
- 1.15 Employees considering this option, who have NHS Pension Scheme membership prior to 5th 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 Executive Director , 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 taken into account when reaching this decision:

- a) The requirement for the post to be refilled
 - b) Equality requirements
 - c) The standard of the employees work and attendance
 - d) Whether the hours proposed can be accommodated/ meet service needs
 - e) Succession planning and the impact of the persons return on the team
 - f) What is in the best interest of the service to accommodate
 - g) How the request fits in with long term workforce and service plans
- 1.17 The approval decision should be referred to a the Accountable Officer for all staff other than direct reports and to a panel of remuneration committee members or an equivalent decision making body within the CCG, in relation to those staff that report directly to the Accountable Officer, regardless of whether they are engaged on VSM or Agenda for Change. Applications will only be considered for approval when submitted alongside the Retire and Return Business Case (Appendix 2) which must be completed by the relevant Executive Director or Accountable Officer (where the applicant is a direct report). The CCG Chair will consider any appeals with appropriate support from lay members from another 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. 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 6th April 2006, or previously left the Scheme before 31st March 2000 with deferred benefits and rejoined on or after 6th 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 5th 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.

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:

EXECUTIVE DIRECTOR AGREEMENT:

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

SIGNATURE:

DATE:

ACCOUNTABLE OFFICER / CHAIR AGREEMENT):

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

SIGNATURE:

DATE:

APPENDIX 2

RETIRE AND RETURN BUSINESS CASE TEMPLATE



CCG Retire and
Return Business Case

Equality Analysis Initial Assessment



Retirement Policy
EIA

RETIRE AND RETURN BUSINESS CASE

This document provides guidance for Directors in considering requests for Retire and Return and should be read alongside the Department of Health guidance (dated July 2017) to NHS employing bodies with regard to 'Retire and Return' policies and practices, i.e. when employees are re-employed after they take their benefits in the NHS Pension Scheme (NHSPS). It should be read in conjunction with the *'MLCSU Guidance for Management on Staff who wish to Retire and Return'*.

This guidance was provided in the context of tight public finances and pay restraint and has meant that use of "retire and return" has previously been the subject of some negative media publicity, raising questions about appropriate use of NHSPS benefits. However, retire and return can be regarded as an entitlement by NHS staff and has been increasingly used especially given the effect of taxation of pensions. A full copy of the guidance can be accessed [here](#).

Scope

The guidance is for employers of staff who are in the NHS Pension Scheme and aims to help with the consideration of applications from staff who wish to retire and return to work for the NHS.

The potential to retire and return is open to a wide range of NHSPS members regardless of whether or not they have reached their normal pension age or maximum service limits or exceeded their personal tax allowances. It is specifically noted that it includes those engaged as medical, dental and ophthalmic practitioners.

It is important to note that the circumstances in which a member can return to pensionable employment depends on whether the employee is a member of the 1995 section of the NHS pension scheme, the 2008 section of the NHS pension scheme or the 2015 NHS pension scheme. Section 5 (Annex A) of the guidance provides a summary of this.

Retirement Considerations

There are many reasons why re-employing a retired employee could be an attractive option:

- retain the valuable skills and experience of retired employees;
- support the health and wellbeing of older members of staff approaching retirement; and
- potential cost savings by reducing recruitment costs, agency fees and employer pension contributions.

However, there are other options available and employees who are approaching retirement may be interested in 'flexible retirement options' which could be taken instead of retiring completely:

- reducing their working days/hours;
- stepping down to a less demanding or lower graded post; and
- drawing part of their NHSPA benefits early; although this is only open to a member of the 2008 section of the NHSPA and the 2015 NHSPS.

CCG Retirement Policy

As an NHS Employer, the CCG has a clear policy and procedure in place regarding retire and return. Importantly all applications must be considered on their own merits and requests should not be automatically approved or declined.

In considering an application for Retire and Return, the CCG will need to be able to demonstrate the following factors have been considered:

- the requirement for the post to be filled through "retire and return" considering cost improvement pressures etc.;
- equality requirements;
- value for money;
- the standard of the employee's work and attendance;
- the employee's competence (skills, knowledge and experience) against the essential requirements of the post;
- whether the hours proposed can be accommodated / meet service needs;
- succession planning and the potential impact the employee's return will have on their team;
- whether it is in the best interests of the service, the CCG and the LSC System to accommodate the "retire and return" request;
- longer term workforce / service plans for the post, team and CCG and how the "retire and return" request fits with this.

In addition to having policies in place, keeping written records or notes about the decision-making process will be of assistance if employers are asked to explain their rationale several months after the decision was made.

A template to support these considerations is attached as Appendix 1. This should be completed and attached to the application form from the Employee (Retirement Policy Appendix 1) when submitting the application for approval (See Section 1.17 of the Retirement Policy).

Employment Rights

Retirees who return from retirement as employees are entitled to the same employment rights as other employees. Any health or other capability concerns should be managed under the appropriate CCG policy.

If there is an immediate return (i.e. 24 hours) in line with NHSPS rules, there is no break in continuity of employment (for the purposes of redundancy, sickness and holidays) and contractual rights are unaffected.

The CCG Retirement Policy has in place a 2-week break in service as part of the requirements of retire and return and this has the effect of breaking continuous service for the purposes of redundancy. Sickness and holidays are unaffected by this break.

Retire and Return – Business Case

Please attach to the Retire and Return Application Form (Retirement Policy – Appendix 1) when submitting the application for consideration and approval in line with Section 1.17 of the Retirement Policy.

Name of Applicant				
Job Title				
Date application for R&R submitted				
Executive Director				
Request summary	Fixed Term /Permanent?	If Fixed term, period of time	Full Time / Part time	Same job or alternative role?
Consideration of Key Factors				
Retention of key skills and knowledge. Succession planning considerations <i>Please consider the above in terms of</i> <ul style="list-style-type: none"> • <i>the ability to recruit to this role;</i> • <i>providing career development and opportunity for other staff within the CCG and the wider LSC system; and</i> • <i>whether it would be left vacant if the person did not return?</i> 				
Cost Savings, cost improvement pressures and Value for Money				

<p>Standard of Work, Competence and Attendance</p>	
<p>Meeting the needs of the Service and the CCG</p> <p><i>Please consider the ongoing requirement for this role by the CCG.</i></p>	
<p>Wider impact on and interests of the LSC system</p> <p><i>Please also consider any wider HR implications of the person returning to the role, e.g. any potential management of change programme.</i></p>	
<p>Longer terms plan for post within the CCG and wider LSC system</p> <p><i>Please consider any impending programme of change or development of the commissioning landscape.</i></p>	



APPROVALS

Business Case competed by:

Name:

Job Title:

Date:

Submitted for approval to (please tick as appropriate):

Accountable Officer

Remuneration Committee **Date of RC meeting:**

Date:

Approval given by:

Name:

Job Title:

Date:
