RETIREMENT GUIDELINES FOR STAFF AND MANAGERS
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1. **INTRODUCTION**

This pack is intended to answer some of the questions staff and managers may have regarding retirement. The aim is to assist staff in dealing with the period prior to a retirement, whether it’s age retirement, ill health retirement or early retirement.

Most importantly the Trust wants to make the retirement process for those who wish to retire as easy and as problem free as possible.

There are now around 150,000 current NHS staff who are aged over 50 and some 50,000 of these are nurses. The Trust recognises and values the significant contribution of the workforce and the skills and experience that they have amassed over the length of their employment within the NHS. It is for this reason that staff considering retirement should be aware of the many opportunities that exist to stay on in employment with the Trust, or return following retirement. This is one of the measures taken to fulfil the Trust’s aims of tackling vacancies and providing a quality service.

Flexibility in the area of retirement is often not considered because staff and managers believe that this can reduce pension entitlements. In fact this is rarely the case. Included in these guidelines are a number of flexible retirement options, which you could consider including Winding Down, Stepping Down, Retire and Come Back, Draw Down (for members of the 2008 section of the NHS Pension Scheme only) and Late Retirement. These options will be explained in more depth in the guidelines.

2. **AGE RETIREMENT**

**Trust Retirement Age**
The Trust does not operate a mandatory retirement age, therefore, the decision about whether to retire is a matter for each individual employee.

**NHS Pension Retirement Age & Benefits**
The minimum pension age is changing for any member who joined the NHS Pension Scheme for the first time on or after 6 April 2006, or who rejoined on or after 6 April 2006 and had previously left before 1 April 2000.

**1995 Section**
Under the 1995 section of the NHS Pension Scheme, normal age retirement is at age 60 and the minimum pension age is 50, but benefits will be reduced to cover the extra cost of receiving a pension for a longer period.

However for the above group of members the minimum pension age will change from 6 April 2010 to age 55.

For members who fall into the above category this means that if they wanted to draw voluntary early retirement pension benefits before 6 April 2010 they are able to do so from age 50 but from 6 April 2010 they must be at least age 55 to access these pension benefits.

Members who have transferred into the NHS Pension Scheme as part of a block transfer and who had a minimum pension age of 50 in the sending scheme will retain a minimum pension age of 50.
2008 Section
The 2008 section of the NHS Pension Scheme allows normal age retirement at age 65. Members can opt for voluntary early retirement from age 55, however, benefits will be reduced to cover the extra cost of receiving a pension for a longer period.

Benefits
Staff who are members of the NHS Pension Scheme will receive retirement benefits, which consist of an annual pension paid for life and a tax-free lump sum. The amount received depends on the individual's pensionable pay, how long they have been a member of the scheme and whether they have worked part time.

With effect from 1 April 2008, the maximum membership age is 75 with a membership limit of 45 years.

Special Class Status
There are people in certain staff groups with Special Class Status i.e. MHO status - Mental Health Nurses, who were members of the NHS Pension Scheme before 6 March 1995 and who have qualifying service. They can retire with full pension benefits from age 55 although the same conditions with regard to retirement before age 55 still apply. Special Class Status is no longer granted to new entrants to the Scheme on or after 6 March 1995. Re-entrants to Special Class type employment retain the status in the Scheme if they do not have a break in pensionable scheme membership of 5 years or more.

Notice Requirements
Where an employee is intending to retire under the provisions of the NHS Pension Scheme, whether taking normal age retirement or voluntary early retirement, it is necessary for the member of staff to provide 4 months notice (or their contractual notice if this is greater), in writing, of their intention to retire, in order to ensure that the relevant documentation is processed for calculation of final pension figures and to arrange payment.

Non-Pension Scheme Members should give their contractual notice.

3 Flexible Retirement Options

Option1: Wind Down
As an alternative to simply retiring, staff may wish to discuss with their manager the possibility of working fewer days in their existing post.

Impact on benefits
Pensions for part time staff are calculated on the whole time equivalent salary, so moving from full time to part time work, rather than retiring, should not reduce the level of pensionable pay for the calculation of pension benefits. However, it will reduce the rate at which members build up future membership.

1995 section
Benefits are calculated on the basis of 1/80th of the best of the last three year's pensionable pay for each year of pensionable membership.

2008 section
Benefits are calculated on the basis of 1/60th of annual average of best three consecutive year's pensionable pay, in last ten years.
Option 2: Step Down

In some instances staff may be considering retiring due to the pressure and responsibilities of your current role. By agreement with Human Resources and the employee’s manager, staff may be able to step down into a lower graded and therefore lower paid and less demanding post, which will still make use of their skills and experience.

Impact on benefits
The level of pensionable pay is protected for the calculation of pension benefits for staff who are over the minimum retirement age.

1995 section
If a member is over the minimum retirement age 50 (55 for some members) and their pay is reduced by a minimum of 10% they can apply for the higher rate of pay to be protected for pension purposes. Members must apply for protection within 15 months of reduction. Benefits are calculated on the basis of 1/80th of the best of the last three year’s pensionable pay for each year of pensionable membership.

2008 section
If a member is over the minimum retirement age 55 they can consider moving towards retirement by switching to a less demanding role. The member’s reckonable pay will still consider any higher earnings they may have had in the 10 years prior to their retirement date. Benefits are calculated on the basis of 1/60th of annual average of best three consecutive year’s pensionable pay, in last ten years

Option 3: Retire and Come Back

Members who have reached the minimum retirement age can also opt to retire, take all their pension benefits and return to NHS employment. Options available include registering for the staff Bank by taking retirement, then opting to work on an ‘as and when’ basis, giving an opportunity to pick and choose the hours worked.

Impact on benefits
1995 section
If a member joined the 1995 section before 6 April 2006 the minimum retirement age is 50. If the member joined the 1995 section on or after 6 April 2009 their minimum retirement age will change to 55 on 6 April 2010. If a member returned to the Scheme after 6 April 2006 this may also apply to them. Pensionable re-employment only if the member retires on ill-health grounds, draws a pension and returns to NHS employment under age 50. If the member left NHS pensionable employment after 1 April 2008 and retires before the 'choice' exercise they will be eligible for pensionable re-employment in the 2008 Section but they must wait two years after retirement before they can join. If the member retires after 1 April 2008 they have to take a 24 hour break before returning back to employment and work less than 16 hours per week in the first calendar month to avoid their pension being suspended. Abatement applies if the member is re-employed under age 60 and pension was not reduced due to voluntary early retirement.

2008 section
The minimum retirement age in the 2008 section is 55. If the member retires after 1 April 2008 they have to take a 24 hour break before returning back to employment but their pension will not be suspended if they work more than 16 hours per week in the first calendar month. Abatement applies if the member was re-employed under age 65 and pension was not reduced due to voluntary early retirement.
**Option 4: Draw Down**

This is only open to members of the 2008 section of the NHS Pension Scheme. This option allows members to take part of their pension benefits whilst continuing in NHS employment.

**Impact on benefits**

If members are over the minimum retirement age 55 and their pay is reduced by a minimum of 10% they can partially retire and take some pension benefits. Members can take 20% - 80% of their pension entitlement and continue to build up future membership. The member’s benefits would be reduced if they are paid before their 65th birthday. Pensionable pay must remain reduced for at least a year otherwise they will cease to be eligible for the pension they have taken. Members can draw dawn benefits twice before retiring completely.

**Option 5: Late Retirement**

This option is open to all members of the NHS Pension Scheme.

**Impact on benefits**

**1995 section**

For members of the 1995 Section, this option means that if they choose to retire later than their 60th birthday, they can continue to earn pension, but no increase is applied for retiring late.

**2008 section**

For members of the 2008 Section of the NHS Pension Scheme, this option means that if they choose to retire later than their 65th birthday, the pension benefits earned before age 65 will be increased by the application of late retirement factors: the later they retire, the greater the increase.

4. **PROCEDURE**

Staff intending to retire should inform their manager at the earliest opportunity. Whenever possible the employee and their manager should meet to discuss the upcoming retirement. Employees in the NHS Pension Scheme must give **at least 4 months notice** in writing of their intention to retire in order to receive their NHS Pension benefits in good time. Therefore, any outstanding annual leave must be taken before the retirement date.

If contractual notice is longer than 4 months, the employee should give their contractual notice, in writing, as should non-NHS Pension Scheme members.

The manager should ensure that the usual termination processes are followed and that HR, receive the termination details in sufficient time for these to be passed to the Payroll and Pensions Department at least 4 months in advance for NHS Pension Scheme members.

Staff can contact Oasis, the Trust’s free, confidential counselling and advice service, who can provide free and confidential one-to-one advice/guidance to members of staff approaching retirement. Further information is available from Oasis on 020 7380 9800.

5. **RETIREMENT GIFTS**

Staff may be entitled to receive a Retirement Gift, dependant on their length of service. All staff whose sole reason for leaving is retirement will be eligible for a retirement gift of £10 per year for each completed year of employment of 20 years or more in total with the NHS. To be eligible staff must have at least 20 years verified service within the NHS and they
should not be leaving for any other reason, for example if there is outstanding disciplinary action. The gift will be in the form of vouchers from a department store, e.g. John Lewis.

6. **USEFUL CONTACTS**

**NHS Pensions Helpline** - For more detailed information on your own pension position, call the NHS Pensions helpline on 01253 774440. You will need to have your national insurance number available. Website [http://www.nhsbsa.nhs.uk/Pensions.aspx](http://www.nhsbsa.nhs.uk/Pensions.aspx)

**NHS Pensioners Trust** - The objective of the Pensioners Trust is to relieve hardship among beneficiaries (Any NHS retired staff or husband, wife, widow or widower of retired NHS staff). The Trust can be contacted on 020 7307 2506.

**NHS Retirement Fellowship** - A self-help organisation catering specifically for retired NHS staff. Its aim is to encourage friendship and relieve loneliness and worry for retired NHS staff. The Fellowship can be contacted on 01305 361317.

**OASIS** - Can provide confidential advice and guidance on matters relating to retirement. Oasis can be contacted on 020 7380 9800.

**PENSIONS**– Judith Gilder is the Pensions Manager based at Whittington payroll and can be contacted on 020 7288 3349.

**Occupational Health** - Can be contacted on 020 7530 3450

**Human Resources** - Can be contacted on 020 3317 3805.

**Further information** can be obtained from the NHS Pension’s Agency website at [http://www.nhsbsa.nhs.uk/Pensions.aspx](http://www.nhsbsa.nhs.uk/Pensions.aspx)