

# Flexible retirement

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# Today's webinar

- What is flexible retirement?
- How can retiring flexibly support staff and employers?
- Flexible retirement options in the NHS Pension Scheme (Q&A)
- How we are talking to our staff about flexible retirement – Dorset Healthcare University NHS Foundation Trust (Q&A)
- Our resources and plans to support you



# Poll questions

- Do your existing policies include retirement flexibilities?
- Do you promote flexible retirement options to your staff?
- Do you support and encourage line managers to have retirement planning discussions?

If you answered no to any of the questions above, please tell us why? What are the barriers to doing this?



# What is flexible retirement?

Flexible retirement allows organisations and staff to be flexible about:

- the age at which staff retire
- the length of time staff take to retire
- the nature and pattern of work in the lead up to final retirement.



# How can flexible retirement benefit staff and employers?

## Staff

- Better work-life balance
- Support to manage caring responsibilities
- Improved job satisfaction
- Improved health and wellbeing

## Employers

- Succession planning – retain skills and experience
- Reduced recruitment and training costs
- Maintains continuity of high-level care
- Great place to work
- Improves diversity of the workforce
- Loyal and committed employees

# Flexible retirement options in the NHS Pension Scheme

## In this section we will:

- Outline the flexible retirement options available for members of the NHS Pension Scheme
- Talk through some examples of how members may use flexible retirement
- Briefly outline any impact on pension benefits
- Save time for questions

**NHS Employers**

## Retirement flexibilities – NHS Pension Scheme

|  | 1995 section | 2008 section | 2015 section |
|--|--------------|--------------|--------------|
| <p><b>Step down</b><br/>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.</p> | ✓            | ✓            | ✓            |
| <p><b>Wind down</b><br/>Staff can 'wind down' to retirement by remaining in their current post but reduce the number of hours or days they work.</p>   | ✓            | ✓            | ✓            |
| <p><b>Retire and return to NHS employment*</b><br/>Staff who have reached the minimum pension age can choose to retire, claim their pension benefits and then return to NHS employment.</p>  | ✓            | ✓            | ✓            |
| <p><b>Draw down</b><br/>Members can take part of their pension benefits and continue in NHS employment. This means that staff can continue working while benefiting from being able to partially draw down their pension benefits and supplement their income.</p>                                       | ✗            | ✓            | ✓            |
| <p><b>Late retirement enhancement</b><br/>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.</p>   | ✗            | ✓            | ✓            |
| <p><b>Early retirement reduction buy out (ERRBO)</b><br/>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.</p>                                      | ✗            | ✗            | ✓            |

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.

Further information about retirement flexibilities can be found on our website [www.nhsemployers.org/articles/flexible-retirement](http://www.nhsemployers.org/articles/flexible-retirement)

Twitter: @NHSE\_Reward

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

# Step down

- Staff can step down to a different role, for example, to reduce the level of responsibility while remaining in NHS employment.
- Available for members of the **1995/2008 Scheme**:
  - Protection of pay for Final Salary benefits
- Available for members of **2015 Scheme**:
  - Lower pay only affects future Career Average benefits



# Step down – example

Alistair – a Mental Health Team Leader at band 7

## Benefits for his employer

- able to support his health and wellbeing
- retain his skills and experience for longer
- creates succession planning and promotion opportunities

- Planning for retirement
- Keen to reduce pressure
- Could replace management time with caring for patients
- Aiming for an improved work/life balance
- Mitigate impact on pension



# Wind down

- Staff can wind down by remaining in their current post but reducing the number of hours or days they work.
- Available for members of the **1995/2008 Scheme**:
  - Past Final Salary benefits protected
- Available for members of **2015 Scheme**:
  - Lower pay only affects future Career Average benefits

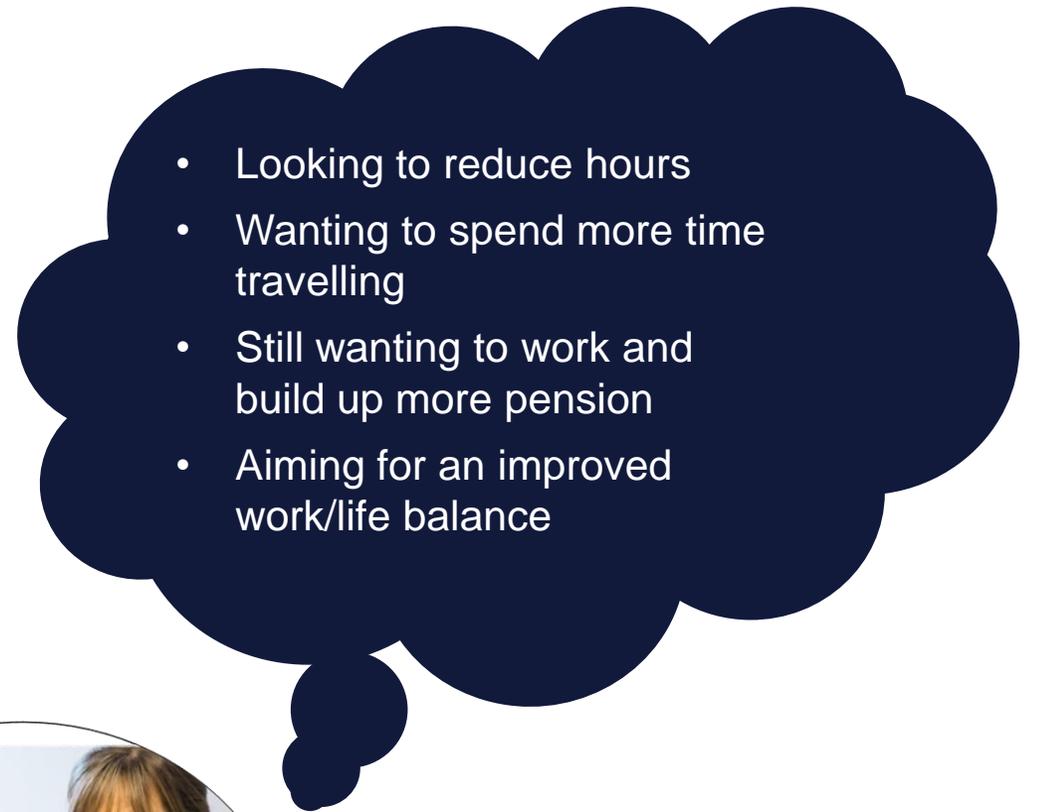


# Wind down – example

Penny – a midwife at band 6

## Benefits for her employer

- able to support her work-life balance
- retain her skills and experience for longer
- reduced recruitment and training costs



# Draw down

- Staff can take part of their pension benefits and continue in employment.
- Available for members of the **2008 Section** of the Final Salary scheme and members of **2015 Scheme**
- Members can draw between 20% and 80% of their pension benefits on up to two occasions before retiring completely
- And members can continue to build up more benefits
- Benefits reduced if drawn before normal pension age



# Draw down – example

Mark – a district nurse at band 5

## Benefits for his employer

- able to support his health and wellbeing
- able to support his work-life balance
- retain his skills and experience



# Late retirement

- Staff can retire later than their normal pension age, build up more benefits and, in some cases, also have pension benefits increased for late payment.
- Available for members of the **1995/2008 Scheme** and members of **2015 Scheme** – although increases for late payment only apply to **2008 and 2015 benefits**
- Members can benefit from working longer to achieve a higher retirement income to be paid every year for life



# Late retirement – example

Ben – an estates manager at band 8a

## Benefits for his employer

- retain a highly valued member of staff
- retain his skills and experience
- save on recruitment and training costs



# Any questions?



# How we are talking to our staff about flexible retirement options

**Jane Parkinson** – HR business partner

**Andy Coles** – Deputy head of pensions and benefits

**Dorset Healthcare University NHS  
Foundation Trust**

# Any questions?



# Our resources



# Flexible retirement poster

## Retirement flexibilities – NHS Pension Scheme

|  | 1995 section | 2008 section | 2015 section |
|--|--------------|--------------|--------------|
| <b>Step down</b><br>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. | ✓            | ✓            | ✓            |
| <b>Wind down</b><br>Staff can 'wind down' to retirement by remaining in their current post but reduce the number of hours or days they work.   | ✓            | ✓            | ✓            |
| <b>Retire and return to NHS employment</b><br>Staff who have reached the minimum pension age can choose to retire, claim their pension benefits and then return to NHS employment.   | ✓*           | ✓            | ✓            |
| <b>Draw down</b><br>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.                                      | ✗            | ✓            | ✓            |
| <b>Late retirement enhancement</b><br>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.   | ✗            | ✓            | ✓            |
| <b>Early retirement reduction buy out (ERRBO)</b><br>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.                                      | ✗            | ✗            | ✓            |

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Further information about retirement flexibilities can be found on our website [www.nhsemployers.org/articles/flexible-retirement](https://www.nhsemployers.org/articles/flexible-retirement)

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<https://www.nhsemployers.org/publications/retirement-flexibilities-poster>

# Flexible retirement web page

Topics & networks [Resc](#)

## Flexible retirement

Flexible retirement helps staff to change the nature or pattern of their work in the lead-up to retirement, to suit their future plans.

3 August 2021



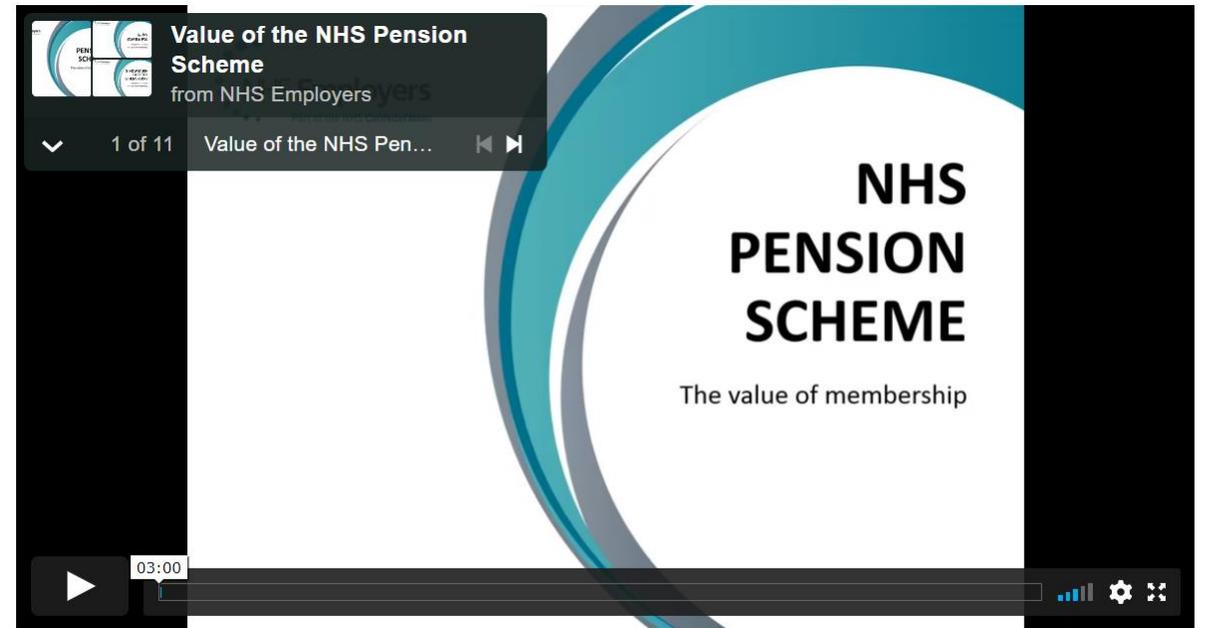
<https://www.nhsemployers.org/articles/flexible-retirement>

# Promoting the value of the NHS Pension Scheme videos and presentation pack

Our presentation slide pack, guide and accompanying videos are designed to help employers talk to staff about the NHS Pension Scheme.

The content is split into 10 chapters including:

- An overview of the scheme
- How much does the scheme cost?
- How your pension builds up
- Retiring from the scheme
- Pension tax



<https://www.nhsemployers.org/publications/promoting-value-nhs-pension-scheme-videos-and-presentation>

# Our plans to provide further support

- Webinar on retire and return
- Webinar on pension tax
- Retire and return guidance
- Flexible retirement videos – real life examples
- Online learning modules



# Thank you.

Email us – [pensions@nhsemployers.org](mailto:pensions@nhsemployers.org)  
Twitter - @NHSE\_Reward