

# Using flexible retirement to support retention

# About us

NHS Employers is the employers' organisation for the NHS in England. We support workforce leaders and represent employers to develop a sustainable workforce and be the best employers they can be. We also manage the relationships with NHS trade unions on behalf of the Secretary of State for Health and Social Care.

# This guidance aims to:

- Support employers to understand, promote and discuss flexible retirement options with staff to encourage retention.
- Ensure employees approaching the end of their careers feel rewarded and recognised by their employer for their experience, service and commitment.
- Help employers to develop effective flexible retirement policies.

**The NHS Pension Scheme offers a number of flexible retirement options with new flexible retirement options being introduced to help employers attract and retain experienced staff.**

**We are working closely with DHSC, NHS England and NHS Pensions to work through the new rules and help employers prepare for the change. Our guidance will be updated regularly as new information comes to light around the development of new systems and processes to support local implementation of partial retirement from 1 October 2023.**

# How promoting the flexible retirement options can benefit employers

- Supporting employees to work flexibly towards the end of their careers can help employees achieve a healthy work-life balance and enable experienced staff to stay in the NHS for longer and pass their valuable skills and knowledge to colleagues.
- Retaining experienced staff is critical to ensure the delivery of high-quality patient care.
- By enabling employees to retire flexibly, employers can support the health and wellbeing of employees who are approaching the end of their careers. This can help to improve sickness absence rates and productivity, while reducing rates of stress, fatigue and burnout.
- Offering retired staff the option to re-join the NHS Pension Scheme after full or partial retirement is a way of supporting the

financial wellbeing of employees, as it allows staff to build up further pension for a comfortable retirement and may help to bridge any gap between taking their NHS Pension and State Pension benefits.

- Partial retirement can be used by employers as a tool to support staff affected by annual allowance, as the ability to take all or part of their pension and continue working may help some staff to control their pension growth.

# Partial retirement (sometimes referred to as draw down)

- Partial retirement is already available to staff who have pension benefits in the 2008 Section or the 2015 Scheme and will shortly become available to those with pension benefits in the 1995 Section from 1 October 2023.
- Partial retirement enables members who have reached minimum pension age to take all or part of their pension whilst continuing to work.
- Members may take from 20 per cent up to 100 per cent of their pension benefits in one or two payments, without having to leave employment.
- Members must reduce their pensionable pay by at least 10 per cent before taking partial retirement.
- After taking partial retirement, members may choose to build up further pension in the 2015 Scheme. The retire and re-join chapter provides further detail on the ability to re-join the 2015 scheme after full or partial retirement.
- Partial retirement is similar to retire and return, in that it enables employers to retain experienced colleagues. However, with partial retirement, there is no need for the employee to end their contract of employment in order to take their pension benefits. Members also have more flexibility to choose to take some or all of their benefits. The retire and return chapter provides further detail on retire and return.

## Do employees need to have a break in service to take partial retirement?

No. Members may take all or part of their pension while continuing to work for the NHS. There is no need for the employee to leave employment or have a break in service to take their pension through partial retirement.

## Will employees retain their existing terms and conditions of employment after taking partial retirement?

Yes. Members may take all or part of their pension whilst continuing to work for the NHS. As there is no break in service, their terms and conditions of employment will continue unchanged. This includes annual leave entitlements, salary and clinical excellence awards.

Employers may wish to discuss and agree new flexible working arrangements alongside partial retirement, such as part time working. Working flexibly in the lead up to final retirement may enable employees to achieve healthy working lives and to stay in the NHS for longer.

Further detail is available in the chapter, flexible working for staff in the later stages of their career.

## Achieving the 10 per cent reduction in pensionable pay

Employees who are considering partial retirement will need to have a conversation with a member of their HR team to agree a change to their terms and conditions of employment in order to achieve the required 10 per cent reduction in pensionable pay.

The employer and the employee must come to an agreement on how to reduce the member's pensionable pay before the member's application for partial retirement can proceed.

Open conversations between the employee and the HR team will be key to understanding the employee's circumstances, needs and preferences. The needs of the employee should be considered and balanced alongside the aims and priorities of the employing organisation, in order to agree a solution which suits both parties.

There are many different ways of reducing pensionable pay and the most effective method will depend on the individual circumstances of the employee and the employer. There is no one size fits all solution to reducing pensionable pay and in some cases, bespoke arrangements will need to be agreed.

To support your conversations with staff, we have included a list of options below for you to consider together during your discussions.

- stepping down to a lower paid role
- reducing the employee's level of responsibility
- reducing the employee's contractual working hours or commitments
- agreeing temporary agreements to change the employee's terms and conditions of employment
- using bank contracts
- offering retire and return as an alternative way to access pension benefits.

## More information on making temporary agreements



The employer and employee may agree a temporary change to the employee's terms and conditions of employment, so that pensionable pay is reduced only for a 12 month period, and to give both parties reassurance that at the end of that period, working arrangements will return to normal.

## More information on using bank contracts

Employees who are employed on bank contracts may choose to opt out of the NHS Pension Scheme in respect of their bank employment, whilst continuing to be a member of the NHS Pension Scheme in respect of their substantive contract of employment. This flexibility may allow the individual to reduce their hours and pensionable pay under their substantive contract of employment, whilst working additional capacity and maintaining their income on a non-pensionable basis under the terms of their bank contract.

## More information on offering retire and return

If the employee and the employer are unable to identify and agree a way of reducing pensionable pay by 10 per cent, the member will not be able to take partial retirement. However, in these circumstances, the member may still access their pension benefits using retire and return. Further information is available in the retire and return chapter.

With retire and return, the employee must end their employment and take a 24 hour break in service in order to take their NHS Pension. The employer will need to issue a new contract of employment so that the employee can return to work for the NHS. The terms of the new contract may be drawn up on the same basis as the previous contract of employment to reflect the continuation of service that would have been achieved, had partial retirement been possible.

# Processing the 10 per cent reduction in pensionable pay through the ESR payroll system

Some employers have reported some challenges in processing agreed changes to working arrangements and pensionable pay on the ESR payroll system. In some cases, ESR may treat some payments as pensionable, where the payments made are intended to be ad-hoc or temporary and should therefore, be non-pensionable.

Employers are currently using two local manual solutions on ESR to resolve this:

## 1. Creating a second payroll record for employees wishing to take partial retirement.

The first payroll record is created as if the employee is a member of the NHS Pension Scheme and contains all the hours and elements of pay which should be counted towards pensionable pay. The second additional payroll record is created as if the employee has opted out of the pension scheme. Any payments made under this record will not attract pension contributions or count towards pensionable pay. Therefore, if ESR is incorrectly treating a payment as pensionable, this payment could be moved to the second payroll record to correct the situation.

This local workaround may be effective when used for a small number of staff. However, extra work is required to create additional payroll records on ESR, which could be time consuming if large volumes of applications for partial retirement are received. Staff may also raise additional queries in relation to their tax and national insurance contributions and may need help understanding how the information is displayed across their two pay slips.

Please note, this workaround does not involve creating two contracts of employment to achieve the reduction in pensionable pay. This workaround involves creating two payroll records if an employer is not able to process an agreed change to pensionable pay on ESR.

## 2. Setting up the member's record with their basic pay adjusted with some of the payment made on a non-pensionable pay element.

The downside to this approach is that the adjusted payment on the non-pensionable pay elements may need to be manually maintained in respect of any pay changes, such as the pay award, and could impact other payments that rely on basic pay for the calculation, including duty or HCAS payments.

DHSC is exploring more efficient and automated solutions, however this will require system development and will take time.

## Determining certain elements of the employee's pay as non-pensionable

In cases where the employer and employee agree that the individual should continue to work in the same role, with no reduction in working hours, commitments or responsibilities, employers may review the structure of the employee's remuneration to identify if some elements of pensionable pay could be determined as non-pensionable. The scheme regulations require the member's pensionable pay is reduced on partial retirement, but in some cases, it may be possible to replace pensionable payments with non-pensionable payments in order to maintain the employee's total remuneration.

## Determining certain elements of the employee's pay as non-pensionable

Employers must comply with the [NHS Pension Scheme regulations](#) which define pensionable earnings as follows:

- Pensionable earnings are broadly all salary, wages, fees and other regular payments.
- Non-pensionable payments include bonuses, non-regular payments, payments made to cover expenses or overtime and pay awards or increases which are expressed by the Secretary of State to be non-consolidated.

Employers may be able to use the flexibility in the scheme regulations to determine some payments as non-pensionable so that the member's pensionable pay is reduced, without reducing their overall working commitments and take-home pay. For example:

## Temporary payments

Most temporary payments are non-pensionable. Exceptions include temporary pay increases and shift allowances.

## Local payments

Most local payments can be determined as non-pensionable.

## One off payments

One off or non-regular payments are usually non-pensionable. Employers may wish to explore options to establish non-pensionable one-off payments in recognition of the completion of additional activity.

## Overtime

All overtime payments are non-pensionable for full-time staff. Overtime for part time staff is pensionable up to the whole time standard week, if paid at the basic hourly rate.

## Additional programmed activities (PAs)

Under Schedule 17 of the terms and conditions for consultants, additional PAs which exceed the standard contractual limit of 10 are non-pensionable. Employers should ensure job planning processes and any supporting documentation clearly sets out that additional PAs are over and above the standard contract and are subject to regular review.

## Allowances for undertaking management responsibilities

Allowances will be non-pensionable if they are temporary and subject to review, or if they are linked to a non-pensionable PA that exceeds the standard contractual limit of 10 or more.

## Waiting list initiative (WLI) payments

WLI payments should be non-pensionable if the activity exceeds whole-time or if the payment is made as a one off bonus.

## Weekend and on-call payments

Availability allowance for on-call work is only pensionable if there is a specific rota commitment that an individual is paid for on a regular basis.

## Monitoring the 10 per cent reduction in pensionable pay

Employers should be confident that the agreed contractual change to working arrangements will lead to a reduction in pensionable pay of at least 10 per cent which can be maintained for the 12 month period. During this time, if the member's pensionable pay increases to more than 90 per cent of their pensionable pay before they took partial retirement, abatement will apply in full and the member's pension benefits in payment will be stopped. If a member's pay does increase to more than is allowed and abatement occurs, their pension will only start to be paid again, once their pensionable pay is reduced by a minimum of 10 per cent of the pay that their original decision to take partial retirement was based on. At the end of the 12 month period, the employee and employer may wish to revert back to the original working arrangement, if appropriate.

HR teams should give clear instructions to their pension and payroll colleagues to ensure that the agreed changes to working arrangements or pensionable pay are accurately processed and updated on the employee's pension and payroll records.

The member and employer should not agree any further changes to the employee's contract of employment which would increase pensionable pay back up to 90 per cent of the member's pensionable pay before their partial retirement during the 12 month period. Annual pay awards and pay increases members receive as they move through their pay band or pay scales do not count towards this, but any pay increase resulting from a contractual change to their terms and conditions will. For example, if a member decides to apply for a different job with a higher salary, increase their hours or increase their commitments.

Employers should make members aware of the changes that could lead to abatement and overpayments that members would need to pay back when their pension record is updated at year end.

Employers should inform NHS Pensions if contractual changes increase a member's pay to more than 90 per cent of their

pensionable pay in the 12 months after taking partial retirement. Members should inform NHS Pensions of any increases to their level of pay or changes to their conditions of employment.

Further information about abatement and partial retirement is available below.

## Supporting members of the 1995 Section who wish to take partial retirement before 1 October 2023

Partial retirement will be available to eligible members of the 1995 section from 1 October 2023. As an interim measure, where an employee wishes to take partial retirement from the 1995 section before it becomes available, employers should allow the employee to retire and return to employment on the same terms and conditions.

Partial retirement will not be available to members who have already built up the maximum of 45 years' service in the 1995 Section of the NHS Pension Scheme. These members will not have a pensionable pay figure against which the 10 per cent reduction can be assessed. Retire and return may be offered to these members as an alternative way to access their pension benefits and continue working in the NHS.

More detail on terms and conditions of employment after retire and return can be found in the retire and return chapter.

### Will abatement apply to members taking partial retirement?

Members taking partial retirement must reduce their pensionable pay by 10 per cent. If the terms of the member's employment are changed again within 12 months of taking partial retirement, so that their pensionable pay returns to more than 90 per cent of their pensionable pay before their partial retirement, abatement will apply and benefits in payment will be reduced.

DHSC suspended abatement on partial retirement for members of the 2008 section and 2015 scheme until 31 March 2023. This temporary easement was intended to support retired staff to return to work and boost capacity during the pandemic. Abatement for those taking partial retirement was resumed from 1 April 2023 and will continue to operate as described above.

Employers should make staff aware that their pension payments may be reduced if the 10 per cent reduction in pensionable pay is not maintained during the first 12 months after taking partial retirement.

## Application process for partial retirement

### Step 1

Members wishing to take partial retirement should first have a discussion with a member of their HR team to agree the necessary changes to contractual terms and conditions to reduce their pensionable pay by 10 per cent.

### Step 2

The member and employer must then complete the NHS Pensions retirement benefits claim form (AW8) and the Partial Retirement Supplementary Form.



## Step 3

Both forms should be sent to NHS Pensions for processing.

## Step 4

Employers should not close down the member's record on Pensions Online as the member is continuing in that employment.

The application process for partial retirement is similar to the application process for any other retirement, but an additional form, the Partial Retirement Supplementary Form, is required. We recommend employers read the [Partial Retirement Employer Factsheet](#) on the NHS Pensions website before completing the form. The following additional information is required to complete the supplementary form:

- Confirmation that the member's terms and conditions of employment have been changed to achieve a reduction in pensionable pay of at least 10 per cent, and that the reduction in pensionable pay is expected to be in place for 12 months.
- Confirmation that the member has been made aware that they have an option to take their benefits from the 1995/2008 Section based on membership up to 31 March 2015 only. This option relates to the [McCloud remedy](#) and further information is available below.
- The percentage of benefits the member wishes to take.

NHS Pensions are advising members who wish to take partial retirement from 1 October 2023 to submit their applications in early August and they will do all they can to process applications in time for 1 October 2023. NHS Pensions will ensure payments are backdated the member's chosen retirement date, where necessary.

## What should scheme members consider when deciding how much of their pension to take?

Members who are applying for partial retirement should consider a number of factors when deciding how much of their pension they wish to take. Employers may wish to signpost the individual to the following points for consideration:

- Taking a pension income in addition to income from employment may alter the employee's personal tax position.
- If a member takes their benefits before the normal pension age (NPA), their benefits will be reduced. Different NPAs apply in the 1995 section, 2008 section and 2015 scheme. This may affect the member's preferences around how much pension they wish to take and when.
- Members are not able to choose which scheme they take their benefits from. When a member chooses to take partial retirement, their chosen percentage is applied sequentially across all their benefits in the NHS Pension Scheme. This means they effectively take or use up their 1995/2008 Scheme benefits first, followed by their 2015 scheme benefits. Therefore, if the member wishes to take their 1995/2008 scheme benefits but not their 2015 scheme benefits (perhaps to avoid an early retirement reduction being applied to their 2015 scheme benefits) employers will need to indicate this on the Partial Retirement Supplementary Form.
- Members are not able to take their lump sum separately from their pension. Taking partial retirement involves claiming a proportion of their pension and any lump sum associated with that pension.
- Members who are eligible for the McCloud remedy may wish to avoid taking pension benefits from the 1995/2008 Scheme that relate to service during the McCloud remedy period (i.e. 1 April

2015 – 31 March 2022). Further information about partial retirement and the McCloud remedy is available below.

- Two modelling tools will be available on the NHS Pensions website to support members to decide how much pension they wish to take. Further information about modelling tools is available below.

## Partial retirement and the McCloud remedy

The McCloud remedy is the process of removing the age discrimination that was judged to have arisen in public service pension schemes, including the NHS Pension Scheme.

Employees who joined the NHS Pension Scheme on or before 31 March 2012 and who were still members of the scheme on 1 April 2015 are eligible for the McCloud remedy.

If a member who is eligible for the McCloud remedy chooses to take partial retirement, they will be contacted within 12 months of their partial retirement date and asked to choose between keeping their benefits in respect of the remedy period (i.e. 1 April 2015 – 31 March 2022) in the 1995/2008 Scheme or the 2015 Scheme.

Their upcoming McCloud choice means there are other factors for them to take into account when deciding how much of their pension they wish to take. Their McCloud choice could affect their personal tax position, or their final salary link, if they have one. If the member chooses to move their benefits for the remedy period into the 2015 Scheme, they may have effectively been overpaid their lump sum and may be required to pay this back to the scheme. NHS Pensions has developed the McCloud Percentage Tool to allow members to see what percentage pension they can take to help avoid any avoid later impacts from their McCloud choice. Further information about the McCloud Percentage Tool is available on the [NHS Pensions website](#).

## Are any modelling tools available to scheme members to support their application?

NHS Pensions has developed two calculators to help members decide how much of their pension they wish to take.

- The Partial Retirement Pension Calculator will be available from 1 October 2023. This is a comprehensive tool that will give members the information they need to make a fully informed choice on the level of pension they wish to take on partial retirement. If possible, it may be beneficial for members to wait until this tool is available before submitting their application for partial retirement.
- The McCloud Percentage tool has been developed as an interim tool for members who have a strong preference for taking partial retirement from 1 October 2023. This tool doesn't give as much information as the Partial Retirement Pension Calculator, which will be available from 1 October 2023, but it will help members to see if the percentage of pension they choose at partial retirement could affect their pension benefits for the remedy period.

## Will the 16-hour rule apply to members taking partial retirement?

No. The 16-hour rule was permanently removed from 1 April 2023.

Previously, pension payments would be suspended under the 16-hour rule if a member of the 1995 section worked more than 16 hours per week in the first month after returning to work from retirement. The permanent removal of the 16-hour rule will make it easier for retired staff to continue to work or return to work in the NHS.

# Retire and return

Retire and return is a way of retiring flexibly which works alongside the NHS Pension Scheme Regulations. Members who have reached the minimum pension age may leave NHS employment, claim their pension benefits and later decide to return to NHS employment. Staff have the option to join the 2015 scheme on returning to work in the NHS, if they wish.

The NHS Pension Scheme regulations require members of the 1995 section to leave employment and have a break in service of at least 24 hours in order to take their benefits from the scheme.

Until partial retirement is introduced for members of the 1995 section from 1 October 2023, retire and return will continue to be the only route for staff to access their benefits in the 1995 section and continue to work in the NHS.

## Differences between retire and return and partial retirement

The key distinction between retire and return and partial retirement is that with retire and return, the member must leave NHS employment, take their pension and be re-employed on a new contract of employment at a later date. With partial retirement, the member can take their pension without leaving their job or taking a break in service and so their existing contract of employment continues to be in place.

Another important difference is that members who retire and return must take all their benefits from the 1995 Section at once, whereas partial retirement provides additional flexibility for

members to take some or all of their pension in one or two payments.

As partial retirement provides a more seamless approach, it is expected that going forward, partial retirement may be more attractive for staff who already know they plan to continue working after taking their pension.

After the introduction of partial retirement, retire and return may still be used where a member retires and then decides sometime later that they wish to return to work in the NHS. Retire and return will continue to be a useful tool for employers to attract and welcome back retired staff to the NHS workforce workplace to fill gaps in capacity and help deliver high-quality patient care.

## How to support staff with benefits in the 1995 Section who wish to take partial retirement before it becomes available on 1 October 2023

Partial retirement will not be available to staff with benefits in the 1995 section until 1 October 2023.

However, employers can use retire and return as an interim measure, up until partial retirement is available for 1995 members, by allowing employees to leave employment, take their benefits from the 1995 section and return to work on the same terms and conditions of employment.

### Do employees need to take a break in service to retire and return?

Yes. Under the NHS Pension Scheme regulations, members must take a 24-hour break before returning to employment in order to take their pension from the 1995 section.

### Are employers required to ensure the employee takes a longer break in service on retire and return to achieve a break in continuous service?

No. There is no requirement to ensure an employee takes a longer break in service to achieve a break in continuous service. Where employers are using retire and return as a tool to retain valuable and experienced staff and boost capacity, insisting on a longer break in service may be unnecessary and could deter the individual from returning to work in the NHS.

Continuous service determines an individual's entitlement to certain statutory employment rights, including:

- statutory redundancy payments
- the right to claim for unfair dismissal
- statutory maternity pay and other family friendly entitlements

Breaking this period of continuous service will restart the clock for securing these employment rights, and to limit any liability by preventing claims for unfair dismissal and/or statutory redundancy payments for a further two-year period. However, in the context of workforce pressures and the need to retain experienced staff, an employer may feel that a redundancy or dismissal situation is unlikely where a request to retire and return has been agreed.

If an employer does feel there is a need to ensure a break in the employee's continuity of service, there must be a break between employments of at least one week. However, this break will only be effective where it runs from Sunday to Saturday. Therefore, employers in this situation will need to enforce a two-week break

between employments to ensure that a week ending on a Saturday is included within the period.

## Will employees retain their existing terms and conditions of employment after retiring and returning?

When members retire and return, they must leave employment, their existing contract of employment ends, and they must enter a new contract of employment with their employer.

We believe it is good practice for employers aiming to retain valuable and experienced staff to offer the same terms and conditions of employment after retiring and returning. Offering the same terms and conditions, including pay, annual leave and sick pay, may encourage experienced staff to continue working if they want to claim their pension, and it could help to attract staff who have recently retired back to work.

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This is an effective way of making sure experienced employees feel rewarded, recognised and valued for their hard work, service and dedication over many years.

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When members take partial retirement, a break in employment is not required and members will automatically retain the same contract of employment. Partial retirement is not available for members of the 1995 Section until 1 October 2023. As such, DHSC strongly encourages employers to offer staff the same terms and conditions in their new contract, should they decide to retire and return. This essentially places an employee in a similar position to if they had been able to take partial retirement.

## Will abatement apply on retire and return?



For the vast majority of scheme staff, retiring and returning to work in the NHS will not affect the pension payments they receive from the scheme. However, in a small number of cases, abatement may apply. Abatement is where a member's NHS pension is reduced if their earnings on returning to work, plus their pension benefits, exceed the amount the individual earned shortly before they retired.

Abatement **will not apply** if the member retires:

- on or after their normal pension age (this is age 60 for members of the 1995 section, age 65 for members of the 2008 section and in line with the member's state pension age or age 65 (whichever is later) for the 2015 Scheme)
- before their normal pension age and their pension is reduced to reflect the early payment
- with enhanced benefits due to redundancy.

Abatement **may apply** where a member returns to work before their normal pension age, after retiring:

- with special class status\* or mental health officer status
- due to ill health
- in the interests of the efficiency of the service.

\*Important note – DHSC has suspended abatement for members with special class status until 31 March 2025 as part of a series of temporary measures to help retired staff to return to the NHS to boost workforce capacity during the pandemic and subsequent recovery of elective care.

Where abatement applies, retired staff can still return to work, but they may need to work fewer hours to ensure their pension payments are not reduced. Members can contact NHS Pensions

for clarification of how much they can earn without affecting their pension.

Where abatement does apply, it will cease when the member reaches normal pension age. At that point, the pension payments will return to their pre-abatement value.

Abatement may also apply where a 10 per cent reduction in pensionable pay is not achieved for the first 12 months following partial retirement.

Further information is available in the partial retirement chapter.

# Retire and re-join

From 1 April 2023, employees who have taken their pension from the 1995 section of the NHS Pension Scheme and return to work in the NHS will be able to join the 2015 scheme and build up further pension if they wish.

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This will enable employers to provide a more valuable reward offer to attract and retain their most experienced staff.

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Prior to these changes being introduced, employees who had taken their pension from the 1995 section were not eligible to re-join the NHS Pension Scheme on returning to work in the NHS. Many employed pensioners may be members of an alternative pension arrangement, for example, the National Employment Savings Trust (NEST), or may not contribute to a pension scheme.

Employers must notify all staff who have taken their benefits from the 1995 section and returned to work before 1 April 2023 that they are eligible to join the 2015 scheme from 1 April 2023 if they wish.

Employers are not required to automatically enrol these employees into the NHS Pension Scheme. However, employers must set up membership for any employees who take up the option to join the 2015 scheme and may need to end their membership to any alternative pension arrangement.

Employees who retire and return on or after 1 April 2023 should be contractually enrolled into the 2015 scheme on the first day of their employment, in the same way as any other new starter.

Where an employee chooses to end their membership to an alternative pension arrangement and join the 2015 scheme, they may ask if it is possible to transfer their benefits from the alternative pension arrangement in to the 2015 scheme. Employers should signpost employees to guidance on transferring benefits on the [NHS Pensions website](#).

Employers should continue to use the NHS Pension Scheme as the default scheme for contractual enrolment and automatic enrolment.

# Flexible working for staff in the later stages of their career

The definition of retirement is changing and broadening. Many employees are considering how they can gradually adjust their working patterns to achieve a healthy work-life balance and a smoother transition from their working life into retirement. This shift towards retiring flexibly leaves behind the expectation that retirement means permanently leaving the workplace and employment, or that full time work should immediately be replaced with full time retirement.

Flexible working is just as valuable for staff approaching the end of their careers, and for retired staff who are returning to the NHS, as it is for those joining the NHS for the first time or returning from parental leave.

Flexible working is key to retention, employee engagement and supporting staff to live healthy working lives, and NHS employers are committed to offering more flexible, varied roles and opportunities to their employees.

Employers should consider flexible working patterns for employees in the lead up to full retirement. The arrangements agreed should reflect the employee's experience, skills and preferences as well as the needs of the service.

## Options for flexible working:

- part-time work – including job shares, term time only work, annualised hours

- fixed working patterns – to give certainty around days, times and location of work
- compressed or elongated working hours
- fixed-term contracts.

If the retired employee is returning to a post that is related to a specific time-limited project or funding stream, or to cover a period of temporary absence for example, maternity leave, then in those circumstances, a fixed-term contract may be appropriate for the employee and employer.

Employers should carefully consider their reasons and objectives for offering a fixed-term contracts, if the fixed-term contract is necessary, and if there are any alternative ways to achieving their aims.

Employers should consider how a fixed-term contract may be perceived and valued by the employee. Some staff may find a fixed-term contract attractive if it fits with their personal circumstances and plans. For others, the long-term uncertainty may discourage the employee from returning.

## Bank / locum work

Bank or casual work (zero hours contract) is seen by many employees and employers to offer the greatest level of flexibility.

However, some employees may feel their status in the organisation would be lessened by moving from a substantive post to a bank post. There may be other implications of moving to a bank contract, for example loss of voting rights or loss of control over certain processes, that may make an employee feel undervalued or unable to contribute to their full potential. Again, it is important for employers to consider how offering a bank or locum contract of employment would be perceived and valued by the employee and how this may impact their decision to return.

# Flexible retirement resources

Our [flexible retirement web page](#) provides an overview of the different retirement flexibilities, with 'real life' examples showing how the flexibilities benefit both the organisation and the individual.

Use our [retirement flexibilities poster](#) to support your conversations with NHS staff about the flexible retirement options available in the NHS Pension Scheme.



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