

Flexible Retirement: Frequently Asked Questions (FAQ's)

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Options:

Step Down - Staff may step down to a different role, for example, to reduce the level of responsibility while remaining in NHS employment. Some members opting to step down may be eligible to have their higher level of pensionable pay protected, which might mean that their final salary benefits are not affected.

Wind down - Staff can wind down to retirement by remaining in their current post but reducing the number of hours or days they work. Reducing working commitments will reduce pensionable pay and a lower pension in the 2015 scheme will build up in the future compared to working full-time. However, any final salary benefits earned in the 1995 or 2008 sections will continue to be based on whole-time equivalent pensionable pay and protected from changes in working patterns.

Retire and Return - Staff who have reached the minimum pension age may leave NHS employment, claim their pension benefits and after a minimum 24 hour break return to NHS employment. If eligible staff will join the 2015 Scheme on returning to work. See FAQ's below.

Partial Retirement - Staff over age 55 can take part, or all of, their pension benefits and continue in NHS employment and continue to build up further benefits in the 2015 Scheme. The member's pensionable pay must be reduced by at least 10 per cent for 12 months. See FAQ's below.

FAQ's:

Retire and Return

Q1. At what Age can I Retire?

A. If you're aged 55 and over or have a protected minimum pension age of 50 (if joined before April 2006) you can claim your pension benefits.

Q2. Do I have to have a break in employment?

A. To claim your pension you will need to hand in your notice and have your employment terminated on your last day of service. You will then take a 24 hour break or longer before returning to work on a new payroll number.

Q3. Can I re-join the 2015 Scheme when I return to work?

A. If eligible you will re-join the 2015 Scheme and continue to build up further pension. You can also opt out if you do not wish to re-join, you can only opt out after you have been auto enrolled.

- Q4. How do I start the process to retire and return?
A. Employees wishing to continue working in the same job role after receiving their NHS pension need to complete a Flexible Retirement Application Form (Appendix F) and submit to their line Manager **no later than 4 months before the date of retirement**. For requests to return to a lower banded post, the individual will need to apply through the normal recruitment process. The decision whether to agree to a Flexible Retirement Request will be made in accordance with the provisions documented in Appendix E & F.
- Q5. What if my request to Retire and Return is refused?
A. If the request is refused you can appeal the decision through HR. Appeals must be submitted within 14 days of receipt of the returned form Appendix F, HR will identify an independent manager to hear the appeal and if necessary a new HR representative to support the manager who has not been involved in the decision to decline the request.
- Q6. Where do I get the retirement application form from?
A. To apply, contact the pensions team 4 months prior to your retirement date to request the application form. You, your manager and the pensions department will need to complete:
- An AW8 retirement benefits application form
 - Retirement details confirmation form (completed by your Manager and you) confirming date of termination and any outstanding annual leave.
- Your manager will complete the Retire and Return Termination form and Post Information form (available on the intranet under ESR) confirming any outstanding annual leave and allowing for a 24 hour break before returning to work (plus any annual leave which will extend the date your pensions is paid from and the date you can return to work). The form must be sent directly to recruitment. sath.recruitment@nhs.net
- Q7. Is my pension reduced if I retire before my normal pension age?
A. If you apply to retire before you reach your normal pension age, your pension benefits will be reduced as they are being paid early.
- Q8. What is my normal pension age?
A. Your normal pension age depends on which part of the Scheme you are a member of: 1995 Section – age 60, 2008 Section – age 65, 2015 Scheme - your State Pension Age or age 65, whichever is later.
- Q9. What will my entitlements be on return to work?
A. Employees who retire and return will retain entitlements that are related to and dependent on 'reckonable' service such as annual leave and occupational sick pay, as outlined in the Agenda for Change Handbook Section 12:
- 12.4 On returning to NHS employment, a previous period or periods of NHS service will be counted towards the employee's entitlement to annual leave.
 - 12.5 On returning to NHS employment, a previous period or periods of NHS service will be counted towards the employee's entitlement to sickness absence, where there has been a break or breaks in service of 12 months or less.
 - Any period of sickness prior to retire and return will be transferred to your new payroll number via an IAT (Inter Authority Transfer).
 - To ensure that all Trust employees have an equitable amount of annual leave, all annual leave and public holiday entitlements are calculated in hours not days, regardless of whether the member of staff is full-time or part-time. If a member of staff joins the Trust part way through the leave year they get a pro rata number of hours for Annual leave and public holidays based on the number of weeks left in the leave year and the number of public holidays remaining in the year.

Annual leave and public holiday entitlement for a full year:
The formula you need to use is as follows:

$$\frac{\text{Your weekly contracted hours}}{5} \times \text{The Annual Leave/Public Holiday entitlement in days for a full time member of staff for a full year} = \text{Your Annual Leave/Public Holiday entitlement for the year in hours*}$$

Q10. When I have retired and returned what happens if I get made Redundant?

A Entitlements that are subject to continuous service, such as redundancy, will be dependent on the member of staff accruing the relevant length of service in their new contract after retirement as any previous service accrued prior to the date of retirement will no longer be considered 'continuous'. A new contract of employment will be issued when the individual re-joins in the same or a different post after retiring which will include the new start date of their service and terms and conditions of employment on appointment following retirement.

Q11. How will my Death in Service Benefits be affected?

Death in service benefits will be affected if taking retire and return. The benefits payable to your dependants including the lump sum will be calculated differently.

If you die in pensionable re-employment following retirement there will be two elements to be considered in calculating the lump sum as follows:

- the lump sum in respect of the benefits that you have earned in re-employment, and
- where death occurs within 5 years of retirement, the lump sum in respect of your original retirement pension.

How is each element of the lump sum calculated?

- the lump sum in respect of your re-employment will be equal to 5 times the pension for your service accrued
- the lump sum in respect of any retirement benefits that have been in payment for less than 5 years will be the lesser of either:
 - 5 times your annual pension less the amount of pension already paid, or
 - twice your pensionable pay less any retirement lump sum paid

Adult dependant's pension:

The initial pension will be calculated as 2 elements, reflecting the rules relating to death before and after retirement.

After the short-term pension has ended, the members spouse or partner will get an adult dependant's pension payable for life.

Q.12 If I retire and return and my department goes through a management of change, as I'm technically a new starter I don't get any employment rights, so if I'm down-banded do I get any pay protection?

A. No

Partial Retirement (also known as Draw Down)

- Q13. What is the difference between retire and return and partial retirement?
- A. 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, have a 24 hour break in employment and then be re-employed on a new contract of employment. With partial retirement, the member can take their pension benefits without leaving their job or taking a break in service so their existing contract of employment continues to be in place.
- Q14. At what Age can I take Partial Retirement?
- A. If you're aged 55 and over or have a protected minimum pension age of 50 (if joined before April 2006) you can claim your pension under partial retirement.
- Q15. Do I have to have a break in employment?
- A. No break in employment is required, you can claim your pension and continue to work in NHS employment and carry on paying into the 2015 scheme.
- Q16. How much pension can I take?
- A. You can choose to take between 20% and 100% of your pension benefits. If you have a minimum pension age of 50 you must take 100% of your 1995 benefits.
- Q17. Do I have to be paying into the NHS Pension Scheme?
- A. Yes you must be an active member of the Scheme to take partial retirement – this means you must be actively contributing towards your pension. Once you have taken partial retirement, if you choose to opt out of the Scheme this will become effective from the end of your next pay period – in most cases this is at the end of the month. If you opt out of the Scheme, please remember you will no longer be entitled to ill health retirement benefits and death in service benefits you were entitled to as an active member. You must be an active member for a minimum of at least one day after taking partial retirement.
- Q18. Do I have to reduce my pensionable pay to take partial retirement?
- A. You will have to reduce your pensionable pay by at least 10% for 12 months after you take partial retirement. It is your responsibility to ensure that your pay remains at least 10% lower than your previous pay.
- Q19. What is the amount of pensionable pay used to calculate the 10% reduction on?
- A. The pensionable pay is based on the pay received in the last 12 months prior to the date you are claiming partial retirement from.
- Q20. How do I achieve the 10% reduction in pensionable pay?
- A. You could change your level of responsibility, work fewer hours, or move to a new role. Salary sacrifice does not count towards the 10% reduction.
- Q21. Do pay awards or increments affect the increase in pensionable pay in the 12 months after partial retirement?
- A. Annual Pay awards and contractual pay increases as you move through your pay band do not alter your 10% reduction in pay but a contractual change will. You must also take account of unsocial hours payments. If you increase the number of unsocial hours you work, your unsocial hours pay will increase too.

Q22. Will my terms and conditions of employment change?

A. Following the reduction in pensionable pay, you will have a contractual change to your terms and conditions of employment, this change is to reference how you've reduced your pensionable pay. The rest of your terms and conditions remain the same.

For Redundancy please see the NHS Terms and conditions of Service Handbook, Section 16, this states in 16.6 The following employment will **not** count as reckonable service: has previously been given NHS pension benefits, any employment that has been taken into account for the purposes of those pension benefits.

Q23. How do I apply?

A. If you wish to take partial retirement, you need to agree a new working arrangement with your manager that lets you reduce your pensionable pay by at least 10%.

The request for Flexible Retirement Application form will need to be completed Appendix F.

Q24. What if my request to a new working arrangement is refused?

A. If the request is refused you can appeal the decision through HR.

Appeals must be submitted within 14 days of receipt of the returned form Appendix F, HR will identify an independent manager to hear the appeal and if necessary a new HR representative to support the manager who has not been involved in the decision to decline the request.

Q25. Where do I get the partial retirement application form from?

A. To apply, you and the pensions department will need to complete:

- An AW8 retirement benefits application form
- The Partial Retirement Supplementary Form
- Provide a copy of the change form showing the reduction in your pensionable pay.

Contact the pensions team 4 months prior to your partial retirement date to request the application forms.

Q26. Is my pension reduced if I take partial retirement before my normal pension age?

A. If you apply to take partial retirement before you reach your normal pension age, your pension benefits will be reduced as they are being paid early.

Q27. What is my normal pension age?

A. Your normal pension age depends on which part of the Scheme you are a member of: 1995 Section – age 60, 2008 Section – age 65, 2015 Scheme - your State Pension Age or age 65, whichever is later.

Q28. How will my Death in Service Benefits be affected?

Death in service benefits will be affected if taking partial retirement. The benefits payable to your dependants including the lump sum will be calculated differently.

If after taking partial retirement, you were to die whilst in pensionable employment, the benefits payable to your dependants, including the lump sum, will be calculated differently for the:

- pension benefits you have not claimed as part of partial retirement and any further benefits you have accrued,
- pension benefits you have claimed as part of partial retirement.

Continues over

Your lump sum on death benefit will be calculated as follows:

Type of benefit	Calculation
Pension benefits you have not claimed as part of partial retirement and any further benefits you have accrued	<p>Twice the percentage* of your reckonable pay at the date of death.</p> <p>Your reckonable pay is the average of the best three consecutive years' pensionable pay in the last 10 years of your career in the NHS.</p> <p>*The percentage used will be the percentage of benefits you did not take when taking partial retirement</p>
Pension benefits you have claimed as part of partial retirement	<p>Where the death occurs within five years of partial retirement, the lesser of either:</p> <ul style="list-style-type: none"> • five times your pension less the amount of pension already paid; or • twice the percentage amount of reckonable pay used in the calculation of your most recent partial retirement benefits, less the amount of lump sum taken.

Your adult dependant's or children's pension, if applicable:

Type of benefit	Calculation
Pension benefits you have not claimed as part of partial retirement and any further benefits you have accrued	According to the rules for the Scheme or Section for death in pensionable employment.
Pension benefits you have claimed as part of partial retirement	According to the rules for the Scheme or Section for death after retirement.

After the short-term pension has ended your spouse or Scheme partner will receive an adult dependant's pension payable for life.

You can find more information on partial retirement on the NHS Pensions website:

www.nhsbsa.nhs.uk/member-hub/partial-retirement

Q29. Where can I get further information?

A. Further information for managers and employees is available from:

Trust Policy – On the Intranet - https://intranet.sath.nhs.uk/hr/HR_Policies.asp

ESR Forms – On the Intranet - https://intranet.sath.nhs.uk/hr/Workforce_info/ESR_Partial_Retirement.asp

NHS Employers - <https://www.nhsemployers.org/staff-experience/flexible-working>

NHS Business Services Authority - <https://www.nhsbsa.nhs.uk/member-hub/your-options-flexible-retirement>