

# RETIREMENT POLICY

## April 2017

Authorship:	eMBED Health Consortium on behalf of NHS Scarborough and Ryedale CCG			
Committee Approved:	Senior Management Team			
Approved date:	April 2017			
Review Date:	April 2021			
	Relevant	Screening	Full / Completed	Outcome
Equality Impact Assessment	Yes	Yes	Yes	<i>No Issues Identified</i>
Sustainability Impact Assessment	Yes		Yes	<i>No Issues Identified</i>
Privacy Impact Assessment	Yes/No	Yes/No	Yes/No	<i>Issues Identified / No Issues Identified</i>
Bribery Checklist	Yes		Yes	<i>No Issues Identified</i>
Target Audience:	All CCG Staff			
Policy Reference No:	SCRCCG P620			
Version Number:	V.2.0			
Publication/Distribution	Website		Email Staff	
	Yes/No		Yes/No	
				Others (i.e. SBC)
				Yes/No

The on-line version is the only version that is maintained. Any printed copies should, therefore, be viewed as 'uncontrolled' and as such may not necessarily contain the latest updates and amendments.

# POLICY AMENDMENTS

Amendments to the Policy will be issued from time to time. A new amendment history will be issued with each change.

New Version Number	Issued by	Nature of Amendment	Approved by & Date	Date on website
DRAFT	HR Team eMBED Health Consortium on behalf of SRCCG	Draft policy for CCG	Senior Management Team	24/04/2017
DRAFT	SRCCG	Draft policy for CCG	SPF	

# Approval Record

Applicable <input checked="" type="checkbox"/>	Committee / Group	Consultation / Information/ Ratification	Date taken to group	Date last Approved
<input type="checkbox"/>	Audit and Governance Committee	Choose an item.		
<input type="checkbox"/>	Business Committee	Choose an item.		
<input type="checkbox"/>	Communications and Engagement Committee	Choose an item.		
<input type="checkbox"/>	Council of Clinical Representatives	Choose an item.		
<input type="checkbox"/>	Finance and Contracting Committee	Choose an item.		
<input type="checkbox"/>	Governing Body	Choose an item.		
<input type="checkbox"/>	Primary Care Co-Commissioning	Choose an item.		
<input type="checkbox"/>	Quality and Performance Committee	Choose an item.		
<input type="checkbox"/>	Remuneration Committee	Choose an item.		
<input checked="" type="checkbox"/>	Senior Management Team	Ratification	Apr 17	Apr 17
<input type="checkbox"/>	All Employees	Choose an item.		
<input checked="" type="checkbox"/>	Yorkshire and Humber Social Partnership Forum	Consultation		
<input type="checkbox"/>	Other	Choose an item.		

**Note: A new policy only needs to be ratified by the appropriate Committee (and the Governing Body if new) and for information only to the other committees after consultation.**

Policies should follow the following ratification process. The delegated committee for ratification is specified in Section 11.

Version control should also be managed as outlined below where x = current version number and y = the new version number.

Consultation and Ratification Process	Version Number
Reviewed policies should be circulated to staff for comment prior to ratification	V x.1
HR policies and policy changes directly impacting on staff should be sent to the Social Partnership Forum for Union consultation prior to ratification	V x.2
Reviews and minor amends should be ratified by the delegated Committee	V x.3
All new policies and policies where significant changes have been made should be ratified by the delegated Committee and Governing Body	V x.4
Ratified policy is circulated and published (if appropriate) on the website	V y.0

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## **1 INTRODUCTION**

- 1.1** NHS Scarborough and Ryedale CCG is committed to assisting 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.
- 1.2** The CCG also recognises that retirement is a life-changing event and wishes to facilitate a smooth retirement process for staff, whilst also recognising the commitment and loyal service they have provided.

## **2 ENGAGEMENT**

- Social Partnership Forum/Policy Subgroup.
- CCG Staff via Team meetings, Staff newsletter.
- CCG Senior Management Team

## **3 IMPACT ANALYSES**

- 3.1** The following impact assessments have been completed in respect of this policy:
    - Data Protection Impact Assessment – No issues identified
    - Equality Impact Assessment – No issues identified
    - Sustainability Impact Assessment.- No issues identified
  - 3.2** These assessments are recorded in the relevant registers and available to view on the CCG website.
- Bribery Act 2010**
- 3.3** CCG employees should be aware that this process can be open to situations of bribery and abuse therefore the Bribery Act 2010 is particularly relevant to this policy. Under the Bribery Act it is a criminal offence to:
  - Bribe another person by offering, promising or giving a financial or other advantage to induce them to perform improperly a relevant function or activity, or as a reward for already having done so; and
  - Be bribed by another person by requesting, agreeing to receive or accepting a financial or other advantage with the intention that a relevant function or activity would then be performed improperly, or as a reward for having already done so.
- 3.4** These offences can be committed directly or by and through a third person and other related policies and documentation (as detailed on the CCG website) should be referred to when considering whether to offer or accept gifts and hospitality and/or other incentives.
  - 3.5** Anyone with concerns or reasonably held suspicions about potentially fraudulent activity or practice should refer to the Local Anti-Fraud and Corruption Policy and contact the Local Counter Fraud Specialist.
  - 3.6** The CCG follows good NHS business practice as outlined in the Business Conduct Policy and has robust controls in place to prevent bribery. Due consideration has been

given to the Bribery Act 2010 in the development (or review, as appropriate) of this policy document and no specific risks were identified.

## **4 SCOPE**

- 4.1** This policy scheme applies to all CCG employees.
- 4.2** The CCG is committed to ensuring that all personal information is managed in accordance with current data protection legislation, professional codes of practice and records management and confidentiality guidance. More detailed information can be found in the CCGs Data Protection and Confidentiality and related policies and procedures.
- 4.3** Where personal information is collected for a specific purpose, details of the type of information we hold and how the information is used is described in the CCG's privacy notice, which is on our website.

## **5 POLICY PURPOSE AND AIMS**

- 5.1** The purpose and objectives of this policy are to protect the CCG along with its customers, service users, staff and other stakeholders, as well as the assets of the CCG, whilst ensuring delivery of its strategic and corporate objectives which are:
  - To commission high quality services
  - To engage patients, carers and other organisations in our planning and decision process
  - To ensure value for money
  - To be open and honest in our transactions, and accountable to our communities
  - To respect our staff and promote a learning environment
  - To improve health outcomes.
- 5.2** The CCG does not operate a compulsory retirement age.
- 5.3** When considering retirement options employees should bear in mind the potential impact on their pension.
- 5.4** Employees considering retirement, particularly flexible retirement, should discuss their plans initially with their line manager and consult the relevant pension scheme rules. Employees may also wish to seek independent financial advice.
- 5.5** Flexible retirement requests will be considered in line with the procedure set out in the Flexible Working policy. Requests to retire and return should be managed in line with the procedure set out in this policy (Part 2, paragraph 2.4).
- 5.6** Information on retirement options and benefits is available from the NHS Pensions website [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).
- 5.7** Advice and support on the application of this policy is available from the HR team. Specialist pensions advice should be sought from the pensions team at Victoria Payroll Services, NHS Pensions or an independent financial advisor.

- 5.8** Employees should bear in mind that NHS Pensions requires 4 months' notice of any request for payment of pension benefits.
- 5.9** The provisions of Section 16 of NHS Terms and Conditions will apply to employees retiring early on grounds of redundancy.
- 5.10** If the NHS Pension Scheme is updated, the new scheme regulations will take precedence over this policy.

## **6 DEFINITIONS**

### **Minimum Retirement Age**

- 6.1** 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 and 2015 sections is 55.

### **Normal Retirement Age**

- 6.2** The normal pension age for members of the NHS Pension Scheme – 1995 section is 60 and age 65 for members of the 2008 section. Under the 2015 section, the normal pension age is the individual's State Pension Age, or age 65 if that is later.

### **Flexible Retirement**

- 6.3** Flexible retirement options provide 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. Further details on Flexible Retirement are set out in Part 2 of the policy.

### **III Health Retirement**

- 6.4** 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 Absence Management Policy and Redeployment Policy), the employee's with more than two year's pensionable service may wish to apply to NHS Pensions for retirement on the grounds of ill-health. Further details are in Part 2 of the Policy.

## **7 ROLES, RESPONSIBILITIES AND DUTIES**

### **Managers**

- 7.1** Responsible for ensuring that this policy is applied fairly to all, and responsible for having retirement discussions with staff in line with the guidance in the policy.

### **Employees**

- 7.2** Responsible for ensuring they are aware of the policy and request retirement options in accordance with it.
- 7.3** Requesting a pension forecast and the completing the appropriate paperwork when planning to retire, giving a minimum of 4 months' notice.

## **HR Team**

- 7.4** Responsible for providing advice and guidance where necessary for line managers and individuals on all aspects of retirement and flexible retirement in accordance with this policy.

## **8 IMPLEMENTATION**

- 8.1** This policy will be communicated to all staff via team meetings, Staff Newsletter and available on the CCG website.
- 8.2** Failure to comply with this policy would be considered to be a breach of the terms and conditions of employment and may result in the matter being treated as a disciplinary offence under the CCG's disciplinary procedure.

## **9 TRAINING AND AWARENESS**

- 9.1** A copy of the policy is available on the CCG website. Training needs will be identified via the annual appraisal process and training needs analysis.

## **10 MONITORING AND AUDIT**

- 10.1** Line managers are responsible for monitoring individual's compliance with this policy.
- 10.2** The implementation of this policy will be reviewed on an annual basis by the Senior Management Team and reported to the Governing Body.

## **11 POLICY REVIEW**

- 11.1** The policy and procedure will be reviewed at least every three years by the CCG in conjunction with managers, staff and Trade Union representatives if appropriate, with changes made as required and the outcome published. Where review is necessary due to legislative change, this will happen immediately.
- 11.2** The Senior Management Team has delegated responsibility for monitoring and reviewing the policy and will report any concerns to the Governing Body.

## **12 PART 2**

- 12.1** **This Section applies to those employees who belong to the NHS Pension Scheme and who are subject to the rules of the Scheme. It is a summarised version of the terms and does not take precedence over those terms. If the NHS Pension Scheme is updated after the publication of this policy, the terms of the Scheme will take precedence.**
- 12.2** This section is intended to give brief details about the NHS pension scheme. The scheme is subject to change, therefore, the information provided here may alter – managers and employees should refer to VPS Pensions Manager or the NHS Pensions website for more information at [www.pensions.nhsbsa.nhs.uk](http://www.pensions.nhsbsa.nhs.uk).

- 12.3** It is important that employees understand which of the NHS Pension Schemes they are a member of, and if in doubt, should seek advice from the Pensions team at Victoria Payroll Services or NHS Pensions. A summary of benefits from the different schemes can be accessed at  
[http://www.nhsbsa.nhs.uk/Documents/Pensions/NHS\\_Pension\\_Schemes\\_An\\_Overview\\_\(V4\)\\_04.2016.pdf](http://www.nhsbsa.nhs.uk/Documents/Pensions/NHS_Pension_Schemes_An_Overview_(V4)_04.2016.pdf)
- 12.4** 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.

## **13 RETIREMENT**

- 13.1** 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. This also applies where employees wish to return to employment following retirement (see paragraph 16.2 below).

## **14 FLEXIBLE RETIREMENT OPTIONS**

- 14.1** Flexible retirement options provide 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. In considering these options, employees are advised to obtain information on how these changes may impact on their pension.

## **15 PRE-RETIREMENT WIND DOWN**

- 15.1** An employee approaching their retirement may wish to gradually reduce the number of hours they work and/or consider working in a less demanding role in the time leading up to their actual date of retirement.
- 15.2** 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. Requests will be considered in line with the procedure in the Flexible Working policy, and judged on the basis of business needs.
- 15.3** 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.
- 15.4** Employees considering either of these options prior to retirement are advised to obtain information on how this may impact their pension.
- 15.5** If the step-down results in a reduction of pay by at least 10%, employees may apply to protect their higher rate of pay for pension purposes. This is only available for members of the NHS Pension Scheme who are over the minimum retirement age and is not available for members of the 2015 section.

- 15.6** The application must be made within 15 months of the date the rate of pay is reduced. When the employee leaves, their pension will be based on the higher rate of pay up to the date they stepped down, 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.
- 15.7** Alternatively, members of the NHS Pension Scheme 2008 and 2015 section may elect to partially retire and take some of their benefits. This option is not available for members of the 1995 NHS Pension. To do this the employee must have reached at the state minimum retirement age and have reduced their pensionable pay by at least 10%. 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.

## **16 RETIRE AND RETURN TO WORK**

- 16.1** 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.
- 16.2** **Employees considering this option, and who wish to return to NHS employment, must make their request in writing, to their line manager, by completing the form at Appendix 1 as far in advance as possible.** The request must include the proposed retirement date and when, and in what capacity, the individual would like to return to work afterwards.
- 16.3** Requests to return to work will be considered in line with the procedure in the Flexible Working Policy, and judged on the basis of business needs.
- 16.4** 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.
- 16.5** The line manager has responsibility for ensuring that for the period the individual is not employed by the CCG their work is delegated elsewhere and that the individual is not involved in working matters.
- 16.6** Members of the 1995 section must work less than 16 hours per week within one calendar month of retirement, and/or be under the normal retirement age, to avoid their pension being suspended. This restriction does not apply to members of the 2008 or 2015 sections. Individuals may request a one month break in service before returning to employment, in which case the limitation on working hours would not apply.
- 16.7** Employees who are in receipt of any earnings related protection will lose that protection on their return to work following the break in service.
- 16.8** 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.

**16.9** Employees who retire and take their pension benefits before returning to work will not be able to re-join the NHS Pension Scheme.

## **17 PREMATURE RETIREMENT AND RETIREMENT IN THE INTERESTS OF EFFICIENCY**

**17.1** If you are retired prematurely because of redundancy or in the interests of the efficiency of the service, pension benefits may be paid immediately. Employees must have:

- reached the minimum NHS pension age;
- at least two years' continuous membership;
- two years' continuous employment with the employer who is prematurely retiring you;
- contractual terms and conditions which entitle you to claim the redundancy pension as an alternative to receiving, either in whole or in part, the cash redundancy payment from your employer.

**17.2** Section 16 of Agenda for Change, paragraphs 16.26 – 16.29 inclusive, set out the terms and conditions of early retirement in the interests of the efficiency of the service.

## **18 VOLUNTARY EARLY RETIREMENT (VER)**

**18.1** Employees who are considering Voluntary Early Retirement (VER) must request the Guaranteed Minimum Pension (GMP) check from the Pensions Service in the first instance.

**18.2** An employee may opt to take VER at any time from the minimum pension age applicable to the scheme they are/ have been a member of, provided they have been in the Scheme long enough to qualify for pension benefits (currently two years).

**18.3** An estimate of pension benefits can be requested from the VPS pensions team however, final figures will be calculated by NHS Pensions.

**18.4** An early retirement pension is reduced because it is being paid early and for longer. The amount of the reduction depends on how many years before the normal pension age the pension is being claimed and is applied to the pension before commutation (the exchange of some pension for a lump sum). The early retirement factors are available on the Pension Agency website at: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions).

**18.5** 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.

## **19 LATE RETIREMENT**

### **1995 & 2008 Schemes**

**19.1** 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.

### **2015 Scheme**

- 19.2** If an employee does not take their pension benefits at the normal pension age, they may continue to build benefits as long as they stay in this Scheme, up to age 75. When taking the benefits they will be increased to take account that it is being paid later than the normal pension age. At age 75 scheme members must claim their benefits.

## **20 ILL HEALTH RETIREMENT**

- 20.1** 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 Redeployment 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.
- 20.2** Where ill-health retirement is identified as an option, the employee will be provided with an estimate of pension benefits via the CCG's payroll provider, currently VPS. The application must be made on the appropriate form which is available from the NHS Pensions Agency.
- 20.3** Medical advisors, 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 the NHS Pensions website <http://www.nhsbsa.nhs.uk/pensions>.

## **21 REFERENCES**

- 21.1** NHS Pensions website [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

## **22 ASSOCIATED DOCUMENTATION**

- Flexible Working Policy
- Redeployment Policy
- Management of Attendance Policy
- Equality Impact Assessment
- Sustainability Impact Assessment

## **23 APPENDICES**

- Appendix 1      Retire and Return Application Form