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RETIREMENT PROCEDURE

Policy Statement

The procedure sets out the process to be followed when employees approach retirement; and is designed to ensure that they are aware of the different types of retirement options and the process involved in applying for their pension.

Policy Commitment

Public Health Wales recognises that a change from employment to retirement is one of the most significant events encountered during a person's life. It is, therefore, appropriate that employees are supported and advised to enable them to experience a smooth transition from work to retirement.

The rules covering retirement and accessing a specific NHS Pension Scheme are fairly complex and this procedure sets out the process to be followed when employees approach retirement; and is designed to ensure that they are aware of the different types of retirement and the process involved in applying for their pension.

For further guidance see the **Policies, Procedures and Other Written Control Documents Management Procedure (PHW47)**.

Supporting Procedures and Written Control Documents

Other related documents are:

Retire and Return Scheme
Managing Attendance at Work Policy

Scope

The procedure is applicable to all employees however there are some aspects of the guidance that will only be applicable to members of the NHS Pension Schemes.

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Accountable Executive Director/Director	Neil Lewis Director of People and Organisational Development
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Disclaimer

If the review date of this document has passed please ensure that the version you are using is the most up to date either by contacting the document author or [Corporate Governance](#).

Summary of reviews/amendments

Version number	Date of Review	Date of Approval	Date published	Summary of Amendments
V1	n/a	7 February 2017	20 February 2017	n/a
V2	January 2020 - July 2022	TBC	TBC	Re-formatted throughout and sections re-ordered to improve flow of information in line with Pensions process.

1. Background

Public Health Wales recognises that a change from employment to retirement is one of the most significant events encountered during a person's life. It is, therefore, appropriate that employees are supported and advised to enable them to experience a smooth transition from work to retirement.

This procedure is designed to assist employees who are considering or have taken the decision to retire from service and outlines the options and support available.

Since the removal of the default retirement age, older workers can voluntarily retire at a time they choose and draw any occupational pension to which they are entitled.

Retirement is referred to in a number of existing policies. This procedure is designed to provide a framework and process for retirement in conjunction with these policies.

2. Retirement

There are a number of ways in which an employee may retire.

2.1 Normal Pension Age

The normal pension age (NPA) is the age that you can retire from NHS employment and have your NHS pension paid without a reduction or enhancement. The NPA will depend on which section of the scheme you are part of, and your status. Please contact the Pensions Team for individual guidance.

- The NHS Pension Scheme up to 31 March 2008 is now called the **1995 Section**.
- Members who joined for the first time on or after 1 April 2008 join the **2008 Section**
- Members joining for the first time on or after 1 April 2015 join the **2015 scheme**.

The NPA for 1995 Section members is 60, 2008 members is 65 and 2015 Scheme members is equivalent to the members State Retirement Age.

However, member groups with NHS Pension Special Class Status have a NPA of 55. Special Class Status only applies to the member groups detailed below who have pensionable service in one of the

member groups prior to 6 March 1995 and who have not had a break in pensionable service of 5 years or more since that date. Special classes may include nurses, health visitors, midwives, physiotherapists and members with Mental Health Officer (MHO) status. For further information employees should contact the Pensions Team.

There are special rules for male special classes. For further information employees should contact the Pensions Team.

With the introduction of the 2008 Section and 2015 NHS Pension Scheme, some members will have membership in more than one, Section and/or Scheme and therefore may have more than one NPA. Please contact the Pensions Team for individual information.

2.2 Early Retirement

The Minimum Pension Age (MPA) will depend on when you joined the NHS Pension Scheme. It would be either 50 or 55 dependent on the section(s) of the pension scheme you are in. However, the benefits payable will be actuarially reduced to take into account the early payment.

This information should be sought from the Pensions Team prior to making an application for early retirement. The Pensions Team will check whether, at their chosen retirement date, the member is entitled to Voluntary Early Retirement under the Scheme. It is essential that the employee does not resign until they are sure that they will be eligible to receive their benefits.

All pensionable member groups may be entitled to retire early and receive retirement benefits in certain situations including:

- Redundancy if MPA has been reached – see All Wales Organisational Change policy.
- Ill health - see All Wales Managing Attendance at Work policy.

3. 2008 and 2015 Schemes and working beyond NPA

If an employee does not take their pension benefits at NPA, they may continue to build benefits as long as they stay in these sections, up to age 75. When taking their benefits they will be increased to take account that it is being paid later than the employee's NPA. At age 75 they must claim their benefits.

4. 2015 scheme early retirement reduced buy out (ERRBO)

Members or 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 NPA. Further information is available in the ERRBO factsheet on the NHS Pension website.

5. State Pension Age

The state pension age (SPA) is changing. The new state pension will be a regular payment from the government that you can claim if you reach state pension age on or after 6 April 2016. You will get your state pension under the current scheme if you reach state pension age before 6 April 2016. You can find your state pension age by following this link:

<https://www.gov.uk/calculate-state-pension>

6. Non NHS Pension Scheme Members

Employees who are not members of the NHS Pension Scheme but who wish to retire should:

Seek advice from the Government website on State Pensions:

<https://www.gov.uk/state-pension>

Give as much notice as possible of their intention to retire, in writing, to their manager to assist succession planning.

7. NEST Scheme Members

NEST is the alternative pension scheme introduced as part of the auto enrolment arrangements for staff who are not eligible to join the NHS Pension Scheme. NEST members are able to find out more information via the NEST website: www.nestpensions.org.uk

8. FLEXIBLE RETIREMENT OPTIONS

There are a number of flexible retirement options available to staff which include:

8.1 Winding Down - Working fewer hours in an existing post.

An employee can request to reduce the hours they work. The impact on NHS Benefits will depend on the section of scheme applicable to the member. For further information employees should contact the Pensions Team.

8.2 Stepping Down - defer retirement by “stepping down” to a less demanding, lower banded (paid) post.

An employee can request to move into a lower banded post prior to their retirement. This allows them to have a less demanding post but one which still makes good use of their skills and experience.

This option requires the availability of a suitable existing role at a lower band.

1995 members section members choosing this option can apply to protect the pension benefit accrued at that time (more details on this option are contained in the NHS Pension Benefit Scheme Guide which can be accessed at www.nhsbsa.nhs.uk/pensions.)

For information regarding the employee’s specific benefits please contact the Pensions Team.

8.3 Retire and Return

Once employees have reached the minimum pension age of the pension scheme they can choose to retire, claim their pension benefits and then return to NHS employment; subject to the rules of the Retire and Return Scheme.

Under both the 1995 and 2008 sections and 2015 scheme, in order to receive pension benefits in full, members must have a break in service of 24 hours. Further, members of the 1995 section cannot work more than 16 hours per week for a calendar month following this break. Pension payments will be suspended in such cases until the month of working 16 hours per week or less is completed. Any annual leave paid on termination of the post prior to retirement will extend the service. Therefore if 5 days’ annual leave are paid on termination, the break in service requirement will be 24 hours **following the 5 days.**

Once individuals have retired and received their benefits, generally they will not be able to rejoin the NHS Pension Scheme and build up additional retirement benefits, with the exception of some members of the 2008 Section and 2015 Scheme.

All employees must discuss their individual pension requirements with the Pension Team prior to making any application to Retire and Return to work.

8.4 Draw Down –available in 2008 and 2015 Schemes.

Members can take part of their pension benefits and continue in NHS employment. Members can take between 20 % and 80% of their pension benefits and continue to build up future membership in the scheme. Further information on the rules may be found on the NHS Pension Scheme website.

9. Roles and Responsibilities

9.1 Managers

Managers are responsible for ensuring effective application of the retirement process which will include:

- Asking all employees, irrespective of age, about their aims and aspirations for the short, medium and long term as part of the My Contribution process. This will help managers to plan their workforce, help retain knowledge and experience, organise appropriate training and development and succession plan.
- Participating fully in pre-retirement planning with the employee, ensuring that all relevant processes are adhered to in the required timescales.
- Ensure the individual employee is supported through the retirement process.
- Managers should ensure that wherever practicable, staff who are due to retire have taken all paid annual leave owing prior to their retirement date.

9.2 Employees

The responsibilities for employees will include:

- Fully engaging with their line manager in discussing pre-retirement options as part of regular 1-1 meetings or raising their intention to retire during the My Contribution process.
- Notifying their line manager of their intended retirement date with at least the required 6 months' notice to enable service continuity and succession planning. This will also allow for sufficient timescales processing pension payments.
- Where required, consider options for flexible retirement through their line manager.
- When considering the option of retirement, employees are encouraged to attend pre-retirement courses. Details of scheduled courses can be obtained from the OD team or the

Public Health Wales Intranet, [Planning for a Positive Retirement](#).

9.3 Staff Representatives

Staff representatives will:

- Advise and guide employees regarding retirement options
- Support employees through the retirement process

9.4 People and OD

People and OD staff are responsible for:

- Providing advice and support to managers and employees in the practical application of the guidance.
- Monitoring its application to ensure it is applied in a fair and consistent way across Public Health Wales.
- Informing staff of the availability of [Planning for a Positive Retirement](#) workshops, run periodically by Public Health Wales.

10. Procedure

Contact Details for Pensions Team:

- pensions.department@wales.nhs.uk
- **029 2090 3908**

The following procedure must be followed for staff wishing to retire:-

When considering retirement options you are advised to consult with your personal Total Rewards Statement, accessible through the ESR self-service facility. Pension quotes can be requested from Pensions (NWSSP) at pensions.department@wales.nhs.uk

Write to your line manager advising them of your intention to retire giving the date of retirement. This letter must be received by your manager at least **5 months** prior to your intended date of retirement. This will enable your pension benefits to be processed in time for your retirement.

Your line manager should complete a termination form **as soon as they receive your letter of intention to retire** and submit it to Payroll. This action will confirm to Pensions the intended date of your retirement.

The termination form should be completed even where the Department has Manager Self Service on the ESR system.

10.1 Application for Your Pension Benefits

On receipt of the Termination Form, Pensions (NWSSP) will send you **Form AW8** to enable you to claim your NHS Pension.

What you should do when you receive your **Form AW8**:

- Complete parts 7 to 15 of the **Form AW8** and arrange to meet with your Line Manager, who will then forward the completed form back to Pensions (NWSSP) **at least 3 months prior to your intended retirement date**.
- **Your Line Manager will need to see any of the following certificates that are relevant to your current circumstances:**
 - Your birth certificate,
 - If legally married, your marriage certificate and your spouse's birth certificate,
 - civil partner's birth certificate,
 - If you are widowed, your spouse's death certificate,
 - If you are a surviving partner, your civil partner's death certificate,
 - If you are divorced, your Decree Absolute,
 - If your civil partnership has been dissolved, your civil partnership dissolution order,
 - Birth Certificates for all Dependent Children.

NB original documents must be produced – copies are **NOT** acceptable.

- Your manager must also complete **Form AW8 Checklist**, that will be enclosed with the *Form AW8*, and return it to Pensions (NWSSP) with **Form AW8**.

To note:

- Around this time you should also receive **Booklet R – Retirement Booklet for Members of the NHS Pension Scheme**, via your NHS e-mail account, which contains important information about your NHS Pension. Please contact Pensions (NWSSP) if you have not received this booklet.
- NHS Pensions experience high volumes of work and are required to work to statutory deadlines. They aim to make

payment of your Lump Sum within 30 days of your retirement date. NHS Pensions will write to you confirming details of your Pension and Lump Sum as well as the date of your payday.

- If you are returning to work, you will receive an information pack from NHS Pensions shortly after retirement. The pack will include a return to work form (RE08 or RE09). In order to avoid delays to your pension payments, it is important that you send this form to the Pensions (NWSSP). To enable them to identify your record, please enclose a covering letter including your full name, Health Board or Trust and National Insurance Number.
- Pensions (NWSSP) and NHS Pensions are restricted by law from providing financial advice. However, further information can be found on the NHS Pensions website www.nhsbsa.nhs.uk/pensions or by contacting the Pensions Team on 029 2090 3908.

11. Ill Health Retirement

In the case of ill health retirement the quote will be obtained by a representative of the People Team and sent direct to the employee. Occupational Health input will be required for all ill health applications.

12. Implementation Plan

All staff need to be made aware of the existence of this procedure which can be obtained on the Public Health Wales Policies Intranet page, and will be publicised via the staff intranet.

Line managers should bring the guidance to the attention of their staff for information only.

Whilst training is not offered on this procedure, we encourage staff to seek guidance on this procedure from the People and OD team by contacting PeopleSupport.PHW@wales.nhs.uk

13. Equality and Welsh Language

These guidelines will be made available in Welsh should a member of staff so request. Correspondence can be made available in Welsh should a staff member so request.

14. Audit

The named lead will monitor this procedure to ensure it is compliant with current legislation, to ensure it is effectively implemented, and

ensure that it is reviewed in accordance with the timetable for review.

15. Distribution

All staff will be made aware of these guidelines upon commencement with Public Health Wales and when approved. Copies can also be viewed on Public Health Wales Intranet or obtained via the People and OD department by contacting PeopleSupport.PHW@wales.nhs.uk

16. Review

These guidelines will be reviewed in 3 years' time or sooner if required.

We are continually looking to improve our employment practices and welcome any feedback you may have in relation to this procedure. Feedback can be provided by emailing PeopleSupport.PHW@wales.nhs.uk