

THE LEEDS TEACHING HOSPITALS NHS TRUST

RETIREMENT POLICY

1. INTRODUCTION

The Trust recognises the value of retaining older workers, and also recognises the fact that the transition from working life to retirement can seem abrupt. This policy informs employees and their managers of the employee's right to request deferment of retirement, and what flexible working arrangements are available. The Trust acknowledges that flexible retirement options and retention past Trust retirement age can be of benefit to both organisation and employees.

Trust retirement age is the age at which someone would normally be required to retire from Trust employment unless deferment has been agreed (Age 65)

Pension age is the age at which someone may receive any NHS pension they have built up without special conditions or a reduction for taking their benefits early.

Under current NHS Pension Scheme regulations, normal pension age is age 60 (or 55 for the special classes)

2. POLICY STATEMENT

In order to help ensure fairness and in line with standard practice, LTHT operates a Trust retirement age of 65, referred to hereinafter as the Trust Retirement Age. The Trust will notify all employees of their Intended Retirement Date (IRD) 12 months (and no later than 6 months) in advance of that date. At that time, the Trust will also notify employees of their right to request deferment of retirement in accordance with the Employment Equality (Age) Regulations. The Trust recognises the value of retaining the skills of older workers and will consider each request for deferment positively, and on its own merits. Employees have the right to appeal against a decision not to defer retirement, or against a shorter deferment than was requested. The Trust has a statutory obligation to consider a deferred retirement application for the existing job and hours only.

Under the Trust's Flexible Working Policy, flexible working arrangements will be considered for those nearing retirement or those wishing to alter their work pattern post-65 (see appendix 1 for options and pension guidelines).

This Retirement Policy should be read in conjunction with the "Retirement Process Toolkit" which is available via the HR website on the Trust Intranet at (insert web address).

3. POLICY EFFECT

- Managers and employees understand their responsibilities under the Employment Equality (Age) Regulations (2006) in relation to retirement.
- Managers and employees are aware of the Trust retirement age of 65, as distinct from the age at which pensions are payable.
- Options remain available for employees to take early retirement and flexible working arrangements as outlined in appendix 1. Employees wishing to retire before the age of 65 must provide the Trust with at least three months notice of their intention to retire.
- Employees are aware of their right to request deferment of Trust retirement at 65 and to have their case considered on its own merits. This legal process applies only to requests to continue work in the same post, at the same grade and with the same hours.
- Employees are supported through the retirement process, with information on the opportunities available to change hours, post or grade and with pre-retirement courses.
- NHS Pension Scheme regulations will be adhered to. Employees should, where necessary, seek advice from the Pensions Department when making decisions about their retirement.
- Through the implementation of this policy, essential skills, sometimes lost through Trust retirement, may be retained within the Trust for a longer period.

ROLE AND RESPONSIBILITIES

The Director of HR will:

- Ensure that the policy is reviewed and amended as necessary and has a responsibility to meet the statutory timescales.
- Ensure that line managers are informed of which employees are nearing Trust retirement age in a timely manner and in accordance with the Employment Equality (Age) Regulations (2006).
- Be responsible for monitoring the effectiveness of the policy through the demographic profiling of employees within the Trust.

Directors/General Managers/ Managers/Supervisors will:-

- Comply in full with the statutory retirement process as laid out in the "Retirement Process Toolkit"
- Inform Salaries and Wages of their employee's Intended Retirement Date (IRD), either through an SW3 if retirement is confirmed or an SW2 if the IRD is deferred.

- Keep records of requests for deferment and subsequent decisions and monitor consistency.
- Continue to manage employees nearing and post Trust retirement age in accordance with standard HR procedures ie appraisal, personal development, absence or capability management etc.
- Contact HR representative for advice and assistance where appropriate.

All employees will:-

- Comply in full with the statutory retirement process as laid out in the “Retirement Process Toolkit”, including responding in a timely manner to notification of their Intended Retirement Date, ensuring that their line manager has been informed at least 3 months prior to IRD of their intention to retire or their request to defer retirement.
- Take responsibility for consulting with the Pensions Department if applicable before making any decisions regarding their retirement.
- Continue to respond positively to standard HR procedures ie appraisal, personal development, absence or capability management etc. when nearing and post Trust retirement age.

Staff Side Representatives will:-

- Provide support and advice to members in facilitating the policy
- Work in partnership with Managers and HR Representatives to ensure that the policy is implemented consistently and in accordance with the Employment Equality (Age) Regulations (2006).

4. EQUALITY & DIVERSITY STATEMENT

The Leeds Teaching Hospitals NHS Trust is committed to ensuring that, as far as is reasonably practicable, the way we provide services to the public and the way we treat our staff reflects their individual needs and does not discriminate against individuals or groups on any grounds.

5. REFERENCES

None

6. CONSULTATION PROCESS

The policy has been reviewed by a joint group with management, Diversity Reference Group and staff side representation. It has gone out for consultation to the Staff Side Council.

7. DOCUMENTATION CONTROL

Policy Title	Retirement Policy
Version Number	Final version
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Date Approved	<i>October 2006</i>
Approving Body	
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Supporting Procedures	Retirement Process Toolkit
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Appendix 1

FLEXIBLE / EARLY RETIREMENT - NHS PENSION SCHEME

RETIREMENT AGE

Care should be taken not to confuse Trust retirement age or IRD for employees of the Trust with their Pension Age.

Trust retirement age is the age at which someone would normally be *required* to retire from Trust employment unless deferment has been agreed (ie aged 65).

Pension age is the age at which someone may receive any NHS pension they have built up without special conditions or a reduction for taking their benefits early.

Under current NHS Pension Scheme regulations, normal pension age is age 60 (or 55 for the special classes).

VOLUNTARY EARLY RETIREMENT (VER)

It is possible for an employee to retire before normal pension age by taking VER. They must be over 50 and could receive immediate payment of benefits. However, the benefits are reduced to take account of the fact that payment is made before Trust retirement age. The reduction is on a sliding scale from 50 to 60. Advice should always be sought from the Pensions Department as the level of reduced benefit must be above a Guarantee Minimum Pension Level for payment to be made.

FLEXIBLE RETIREMENT

Instead of taking retirement benefits employees can take the flexible retirement option. They would therefore not take their pension, but remain in pensionable employment and accrue further pension and lump sum benefits. In order that they are not disadvantaged by this, the flexible retirement can be taken in two ways:

1. Stepping down

Subject to agreement by the Trust and the Pension Agency, employees can apply for a different post at a lower grade within the Trust through the Trust's normal recruitment and selection processes.

If agreed, the pension and lump sum earned can be preserved at the higher level (and index-linked until retirement). Further benefits are then accrued for the rest of the employee's NHS service on the basis of the lower whole time equivalent pensionable pay, appropriate to the new role.

2. Winding Down

Employees can make an application for working reduced hours under the Trust's Flexible Working Policy. Line managers will make their decision on such requests based on the needs of the service.

In such cases, if the employee retains the same grade and working pattern, their whole time equivalent pay will remain the same. Service credit for benefit purposes is reduced for part time service pro rata to the hours worked against the whole time hours. Therefore the employee is losing some service credit by reducing their hours but their benefits are still based on whole time equivalent salary, thus retaining the value of the benefits accrued to the date of the change.

Please note, however, that if the grade/ whole time pensionable pay is different, then the flexible retirement arrangement would be regarded as stepping down and agreement of the employer and NHSPA would be needed to preserve the benefits to the date of the change.

RE-EMPLOYMENT

Employment outside the NHS

If an employee is employed outside the NHS there is no restriction to future earnings.

Re-employment within the NHS

In order to receive retirement benefits there must be a break of 1 day in NHS employment.

If the employee is re-employed they cannot rejoin the NHS pension scheme, unless they retired (with benefits) on health grounds and are re-employed before age 50.

1. If a person is re-employed and works more than 16 hours in any one week within a calendar month of retiring, the pension is stopped completely until the re-employment ceases. This regulation applies to all employees irrespective of age.

and

2. If the employee is re-employed within the NHS and is under age 60 the benefits could be liable to abatement i.e. if the re-employed earnings plus the NHS pension exceed the pensionable earnings prior to retirement, the pension is reduced by the excess. This does not apply to employees receiving reduced benefits due to voluntary early retirement.

3. If the employee is over age 60, the pension is not liable to abatement.

Please note that any annual leave paid on termination extends the retirement date for pension purposes and will therefore affect the entitlement to benefits and reduction of earnings on re-employment.

Appendix 1 is intended to be used as a general guide to the regulations and does not over-ride the NHS Pension scheme regulations. It must be stressed that the employee should be advised to consult the pensions department when retiring. Management advice is also available from the Pensions Department where any doubt occurs.