

# RETIREMENT POLICY

## (HRP 31)

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<b>Responsible Officer</b>	Director of Workforce – Wirral PCT
<b>Approved By</b>	HR Policy Review Group

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# **INTRODUCTION**

## **1.1 Rationale**

Wirral Primary Care Trust recognises that its success depends on its ability to attract, recruit and retain suitably qualified, skilled and experienced staff, particularly as the demand for healthcare grows. The Trust also recognises the importance of supporting its staff to achieve a balance between their work and home life not just during employment but also in planning the transition to retirement at a time and pace which suits the individual.

## **1.2 Scope**

The policy applies to all directly employed PCT staff irrespective of contracted hours, grade, status or gender.

## **1.3 Aims**

The aims of the policy are:

- i. To allow sufficient flexibility in terms of the options for retirement to accommodate the needs of the service and those of the individual.
- ii. Increase age diversity in the workforce.
- iii. To retain skilled and able workers.
- iv. To aid in workforce planning.
- v. To provide guidance so that managers and staff are aware of the options that are available and the ability of the individual to make choices about the way in which they wish to retire and their eventual retirement.
- vi. To clarify the rights of the individual and the organisation.
- vii. To meet the extended working requirements of the Employment Equality (Age) Regulations 2006.
- viii. Increase employee commitment and loyalty through enabling more ownership of length of working lives.

# **2.0 RETIREMENT PRINCIPLES**

## **2.1 Retirement Options**

- i. At present, entitlement to State Retirement Pension begins at 65 years for men and 60 years for women where an insurance contribution has been paid.
- ii. From 6 April 2020, however, state pension age for both men and women will be 65. The Government will introduce the change gradually from age 60 to 65 for women over a 10-year period from 2010 to 2020. (A Guide to

the change in the state pension age for women can be obtained from the Department for Work and Pensions - telephone 0845 7313233 or visit their website at [www.pensionguide.gov.uk](http://www.pensionguide.gov.uk)).

- iii. Employees who are members of the NHS Pensions Scheme will receive retirement benefits, which consist of an annual pension paid for life and a tax-free lump sum. The amount received depends on the individuals' pensionable pay, how long they have been a member of the scheme and whether they have worked part-time.
- iv. Employees who have contributed to the NHS Pension Scheme will qualify for retirement benefits from the pension scheme at age 60. (NB correct at the time of writing, however, the pension scheme is currently under review).
- v. An employee who is aged 50 or over may choose to take early retirement under the NHS Pension Scheme's Voluntary Early Retirement Scheme. Their benefits will, in most cases, however, be reduced to cover the extra cost of receiving a pension for a longer period.
- vi. There are people in certain staff groups with Special Class Status, who were members of the NHS Pension Scheme before 6 March 1995 and who have qualifying service. They can retire with full pension benefits from age 55 although the same conditions with regard to retirement before age 55 still apply. Special Class Status is no longer granted to new entrants to the Scheme on or after 6 March 1995. Re-entrants to Special Class type employment retain the status in the Scheme if they do not have a break in pensionable scheme membership of 5 years or more.
- vii. Where employees opt to take early retirement they can return to work for the NHS if they wish to do so, but there are limits on the number of hours they may work (see also 2.1.x). Should an employee be considering taking early retirement, they are advised to seek advice from the Pensions Officer (see paragraph 2.1.xiii for contact details).
- viii. Other retirement options include situations where employee makes a specific request, e.g., 'winding down' working fewer days in the current post or alternatively move to another part-time post at the same grade. Employees who defer retirement in this way (and continue their membership of the scheme) will carry on building up pension entitlements.
- ix. Another option is for employees to defer retirement and 'step down' to a less demanding, lower graded (paid) post. Subject to the Trust's agreement, pension rights may be preserved at the previous higher level.
- x. Before age 60, employees can also retire, receive a pension and resume

working for the Trust. Because they have retired they will no longer be a member of the pension scheme and will not build up any further pension entitlements. Providing an employee is over 60, the amount they earn has no effect on their pension. However, if under 60, an employee cannot earn more through pension and post-retirement employment than their salary at retirement. Where this happens their pension will be reduced. Pensioners cannot work more than 16 hours a week within the first calendar month of retirement otherwise their pension will be suspended.

- xi. In the case of 2.1.x above, the Trust will consider any request from an individual who is seeking to resume work and will do so considering individual, team, departmental, service and organisational need, however, the Trust can refuse the request and is not required to provide a reason should such requests be declined. This does not prevent the employee from applying for a post within the Trust in accordance with the normal recruitment and selection procedure.
- xii. Alternatively, individuals who are interested in returning to work but who do not want to commit themselves to regular hours may wish to explore bank working admin arrangements.
- xiii. Employees who are interested in pursuing any of the above options should seek advice in the first instance from their line manager, the Workforce Department on 0151 643 5369, Ann Molyneux, the Pensions Officer on 0151 334 4000 or the NHS Pensions Helpline on 01253 774440. The retirement package selected may affect an individual's pension and anyone coming up to retirement is advised to check their terms and conditions before finalising their arrangement

## **2.2 The Employment (Age) Regulations 2006**

- i. The above regulations allow the Trust to retire employees at age 65 which the Trust has set as the default retirement age in accordance with the regulations.
- ii. The regulations also allow employees the right to request to continue working beyond the retirement age of 65 and outline the procedure which must be followed to allow a 'fair retirement'.
- iii. The Trust has an obligation to consider such requests and will do so in conjunction with individual, team, department, service and organisational need. The Trust can refuse the request and is not required to give a reason for this decision, however, wherever possible a full explanation will be provided to the employee.

## **3.0 PROCEDURE**

### **3.1 Formal Pre-Retirement Procedure for staff nearing default retirement age of 65**

#### **i. Notification**

The Workforce Department will write to employees (copied to line Manager) giving notice of their default retirement date (65) not more than one year but not less than six months before the default retirement date outlining the employee's right to request to work beyond the retirement age.

#### **ii. Application for extended working**

If an employee wishes to request extended working past the default retirement date they must put the request in writing at least three months before the default retirement date stating whether they wish to continue work indefinitely, for a stated period or until a certain date.

#### **iii. Meeting to Discuss**

If an application for extended working is received a formal meeting must be convened within 15 working days following receipt of the request with the line manager and a Workforce Manager to discuss and consider the request. The employee is entitled to be accompanied at this meeting by a trade union representative or workplace colleague of their choice. The line manager and employee may explore alternatives to current post as appropriate, i.e. reduced hours/wind-down/step-down.

A decision must be made on whether to accept or decline the request and confirmed in writing to the employee within 10 working days of the date of the meeting. Requests should be considered objectively in conjunction with a Workforce Manager; applications may be refused where there is a clear business reason, although it has to be acknowledged that it will be difficult to identify one.

If a request for extended working is approved a new retirement date should be agreed for 12 months later (N.B this then becomes the default retirement date and this process will need to be repeated on an annual basis).

#### **iv. Appeal**

If the application is refused employees have the right to appeal against this decision to the Director of Workforce within 21 working days of the

date of the rejection in writing detailing the grounds of the appeal. The appeal should be addressed to the Director of Workforce and copied to the Head of Service.

The appeal process will then follow the standard Grievance Policy (HRP 2).

## **4.0 IMPLEMENTATION AND COMPLIANCE**

### **4.1 Implementation**

- i. This Policy has been jointly agreed within the HR Policy Review Group which is a sub group of the Joint Forum.

### **4.2 Compliance**

- i. The Trust Board has a strategic responsibility to ensure that the policy is communicated to all staff and is effectively implemented.
- ii. The Director/Deputy Director of Workforce will:-
  - a) oversee the introduction, operation and monitoring of the policy;
  - b) ensure the provision of guidance and support for Managers on the operation of the Policy.
- iii. The Workforce Managers will:-
  - a) provide advice and guidance to managers on the policy and its application;
  - b) assist and provide appropriate support and information to employees with regard to this policy.
    - i. Heads of Service will:-
      - a) apply the principles of the policy fairly and sensitively;
      - b) ensure that all staff are aware of and understand the policy.
    - ii. Trade Union Representatives will:-
      - a) support the fair and equitable application of this policy;
      - b) provide advice and support to employees.
    - iii. Employee Responsibilities:-
      - a) all employees will observe the principles of the policy and where appropriate follow the stated application processes.

## **5.0 TRAINING AND COMMUNICATION**

- 5.1 The Workforce Directorate will ensure that appropriate briefings, guidance and support is available to management on the operation of this policy.

## **6.0 DISTRIBUTION**

- 6.1 This policy will be available to all HR Policy Manual Holders. Copies will also be available from the Workforce Department and also on the Trust's website.

## **7.0 MONITORING AND REVIEW**

- 7.1 This policy will be reviewed on a regular basis and will be reviewed a year after its implementation.

## **8.0 REFERENCE DOCUMENTS**

Age and the workplace – a guide for employers – ACAS



**SAMPLE LETTER ADVISING EMPLOYEE OF INTENDED DATE OF RETIREMENT**

Dear

In accordance with the Trust Retirement Policy (copy attached), I write to confirm that you will be retired from your employment with the Trust with effect from [insert retirement date].

You have the right to request to continue to work beyond this date and therefore not to retire. This request should be in writing to {insert name of line manager} and should make clear that it is a request not to retire and must propose whether you wish your employment to continue, for a stated period or until a specified date. This request must be received no later than three months before the date of retirement. Failure to submit such a request within this timeframe will result in the loss of your statutory right to have your request considered and you will be retired on the retirement date above.

Please refer to the Trust Retirement Policy for further information on the pre-retirement process. Alternatively, please do not hesitate to discuss this with your line manager or designated Workforce Manager.

Yours sincerely

**Name**  
**Job Title**

**SAMPLE LETTER ADVISING EMPLOYEE OF DATE OF MEETING TO DISCUSS REQUEST TO CONTINUE WORKING BEYOND DEFAULT RETIREMENT AGE OF 65**

Dear

I write further to your request dated [insert date] to continue to work beyond the default retirement age of 65.

I have arranged a meeting which will be held on \_\_\_\_\_ at \_\_\_\_\_ in \_\_\_\_\_ to discuss and consider this request further. I have made arrangements for [name], [job title – Workforce Manager] to be present for advice and you have the right to be represented by a companion (e.g. a trade union representative or work colleague) should you so wish. It is your own responsibility to make the necessary arrangements.

I would be grateful if you would confirm your attendance at the meeting by contacting [insert name, department and contact telephone number].

Yours sincerely

**Name**

**Job Title**

**SAMPLE LETTER ADVISING EMPLOYEE OF OUTCOME OF MEETING TO DISCUSS REQUEST TO CONTINUE WORKING BEYOND RETIREMENT AGE OF 65 AND RIGHT OF APPEAL WHERE REQUEST HAS BEEN DECLINED**

Dear

I write further to our meeting held on [insert date] in the presence of [insert names of those present]. The purpose of the meeting was to discuss your request to continue working beyond the default retirement age of 65.

After due consideration, I write to advise that

- a) your request has been declined and the Trust will retire you from your employment on [insert date].

The reason for my decision is that

You have the right to appeal against this decision. If you wish to do so, this should be in writing, stating the grounds for the appeal to the Director of Workforce, within 15 days of the date of this letter confirming my decision.

**OR**

- b) your employment with the Trust will continue beyond the default retirement age of 65
  - Annual reviews

(NB – it may also be necessary to outline any variations which were agreed i.e. on reduced hours etc).

Please be advised that your revised date of retirement will be [insert date].

Yours sincerely

**Name**  
**Job Title**