

<b>Reference Number: 258</b> <b>Version Number: 2c</b>	Date of Next Review: May 2022 Previous Trust/LHB Reference Number: n/a
<b>RETIREMENT PROCEDURE</b>	
<p><b>Introduction and Aim</b></p> <p>The Cardiff and Vale University Health Board (the UHB) recognises that a change from work 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.</p> <p>The rules covering retirement and accessing the NHS Pension Scheme are fairly complex and this procedure ensures that UHB employees are informed of their entitlements and provides a straightforward summary of the actions they and their managers need to take.</p> <p>This procedure supports the principles set out in the UHBs Adaptable Workforce Policy.</p>	
<p><b>Objectives</b></p> <ul style="list-style-type: none"> <li>• To provide comprehensive information to employees on their options and entitlements with regards to retirement</li> <li>• To provide the fair, consistent and effective application of retirement provisions</li> </ul>	
<p><b>Scope</b></p> <p>This procedure applies to all of our staff in all locations, however, only members of the NHS Pension Scheme can access an NHS pension</p>	
<b>Equality &amp; Health Impact Assessment</b>	An Equality Impact Assessment has not been completed. This is because the procedure has been written to support the implementation of the Adaptable Workforce Policy. The <a href="#">Equality Impact Assessment</a> completed for the policy found there to be a positive impact.
<b>Documents to read alongside this Procedure</b>	Adaptable Workforce Policy <a href="#">2015 NHS Pension Scheme Guide</a> <a href="#">1995/2008 Scheme Guide</a> NHS Pensions ' <a href="#">Jargon Buster</a> ' Retire and Return – <a href="#">Rules and Procedures</a> NHS Working Longer Group <a href="#">Flexible Retirement Options</a>
<b>Accountable Executive or Clinical Board Director</b>	Executive Director of People and Culture

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<b>Author(s)</b>	Head of Workforce Governance/UNISON
<p><u>Disclaimer</u>  <b>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 the <a href="#">Governance Directorate.</a></b></p>	

<b>Summary of reviews/amendments</b>			
<b>Version Number</b>	<b>Date Review Approved</b>	<b>Date Published</b>	<b>Summary of Amendments</b>
1	08.04.2015	15.04.2015	Much of the content was previously included within the Retirement Policy. 2015 pension scheme added
2	15.05.19	24.05.19	Managers and staff should contact the Pension Department to ensure they obtain the most recent information about the Pension Scheme  New section on the Retirement Principles added  Additional information on Late Retirement Enhancement added  Staff should discuss their plans with their manager in advance
2a	30/09/2020	20/10/2020	Retire and Return section updated to reflect changes in that process for staff retiring and returning without any change to role or hours  Temporary changes introduced in response to COVID-19 pandemic noted
2b	16/12/2021		Temporary changes introduced in response to COVID-19 pandemic removed
2c	16/03/2022	26.04.2022	Temporary COVID measures re-incorporated following government

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			consultation and further extension to October 2022
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	<p><b>TEMPORARY CHANGES INTRODUCED IN RESPONSE TO COVID-19</b></p> <p>In view of the need to maintain/increase critical staffing levels in response to the COVID-19 pandemic, some temporary changes have been introduced to the NHS Pension Scheme. As there is currently no end date assigned to these changes managers and staff are strongly urged to determine whether or not they still apply before initiating retirement proceedings.</p> <ul style="list-style-type: none"> <li>• For any employees who are members of the 1995 Section of the NHS Pension Scheme, the requirement for them to only work 16 hours per week for the month after retirement has been rescinded. <b><u>Staff can now return to 37.5 hours immediately after their 24 hour break.</u></b></li> <li>• For any members of the 1995 Section of the NHS Pension Scheme the <b><u>abatement rules will not apply to Special Class members.</u></b></li> <li>• For members of the 2008 Section of the NHS Pension Scheme or members of the 2015 Scheme, where the partial draw down option has been chosen, <b><u>there is no longer the need to reduce pensionable pay by 10%.</u></b></li> </ul> <p>These measures allow skilled and experienced staff who have recently retired from the NHS to return to work, and will also allow retired staff to increase their commitments if required, without having their pension benefits suspended.</p>
1.	<b>ROLES AND RESPONSIBILITIES</b>
1.1.	<p><b>Managers</b></p> <p>Managers will ensure the effective application of the retirement process including:</p> <ul style="list-style-type: none"> <li>• Asking all employees, irrespective of age, about their aims and aspirations for the short, medium and long term as part of regular 1-1 meetings or as part of the annual Performance Appraisal and Development Review process. This will help managers to plan their workforce, organise appropriate training and development and succession plan.</li> <li>• Participating fully in pre-retirement planning with the employee, ensuring that the processes contained in this guidance are adhered to in the required timescales</li> <li>• Responsibility to ensure that they process all retirement requests in as soon as possible</li> <li>• Ensure the individual employee is supported through the retirement process</li> </ul>
1.2.	<p><b>Employees</b></p> <p>The responsibilities for employees will include:</p>

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	<ul style="list-style-type: none"> <li>• 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 annual Performance Appraisal and Development Review process.</li> <li>• Notifying their line manager of their intended retirement date with at least the required 5 months' notice to enable service continuity and succession planning.</li> <li>• Making any application for flexible retirement through their line manager.</li> <li>• Managing their pension</li> </ul>
1.3.	<p><b>Staff Representatives</b></p> <p>Staff representatives will:</p> <ul style="list-style-type: none"> <li>• Advise and guide employees regarding retirement options</li> <li>• Support employees through the retirement process</li> </ul>
1.4.	<p><b>Workforce &amp; OD</b></p> <p>Workforce &amp; OD staff are responsible for:</p> <ul style="list-style-type: none"> <li>• Providing advice and support to managers and employees in the practical application of the policy and procedure.</li> <li>• Monitoring its application to ensure it is applied in a fair and consistent way across the UHB.</li> </ul>
2.	<p><b>A GUIDE TO THE NHS PENSION SCHEME</b></p> <p>This section is intended to provide brief details about the NHS Pension Scheme. As the scheme is subject to change, the information may alter with time. Managers and staff should therefore contact the NHS Wales Shared Services Partnership Pensions Department and/or refer to the NHS Pensions website <a href="http://www.nhsbsa.nhs.uk/nhs-pensions">www.nhsbsa.nhs.uk/nhs-pensions</a> to ensure that they obtain the most recent information on the section(s) of the Pension Scheme of which they are a member.</p> <p>Since 1 April 2015 there are two separate pension schemes covering NHS workers.</p> <p>The <a href="#">2015 NHS Pension Scheme for England and Wales</a> covers all transitioning and new NHS employees from that date.</p> <p>There are some members who are entitled to remain in the <a href="#">1995/2008 Scheme</a> through Protection arrangements. These include</p> <ul style="list-style-type: none"> <li>• Members of the 1995 and 2008 Sections who, as at 1 April 2012, were either already over their Normal Pension Age (NPA) or 10 years or less from their NPA and in active membership on both 1 April 2012 and 31 March 2015 are entitled to Full Protection.</li> </ul>

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- Members of both the 1995 and 2008 Sections who, as at 1 April 2012, were more than 10 years, but less than 13 years and 5 months from their NPA and in active membership on both 1 April 2012 and 31 March 2015 are eligible for limited protection. This is known as Tapered Protection.

Copies of the guides for the two NHS pension schemes can be accessed via the links above or on the NHS Pension website [www.nhsbsa.nhs.uk/Pensions](http://www.nhsbsa.nhs.uk/Pensions). The NHS Business Services Authority has produced an [overview document](#) for the 1995/2008 and 2015 schemes which will assist staff and managers on this issue.

Individual members of staff are able to determine which scheme they are in by using the [Pension Identifier Tool](#) on the NHS Pension website.

The NHS Business Services Authority has produced a '[Jargon Buster](#)' document which may be of assistance in understanding the terminology used in the guides.

### 3. **GENERAL RETIREMENT PRINCIPLES**

The key retirement principles are as follows:

- The UHB does not operate a compulsory retirement age
- When considering retirement options, staff should bear in mind the potential impact on their pension. They are strongly encouraged to seek information from the Pensions Department and advice from an Independent Financial Advisor during the planning period and before making a decision
- The normal pension ages for members of the NHS Pension Scheme are:
  - Age 60 – under the 1995 section
  - Age 65 – under the 2008 section
  - State Pension age – under the 2015 scheme
- The minimum retirement ages for members of the NHS Pension Scheme are:
  - Age 50 – under the 1995 section, except for staff who joined the scheme after 6 April 2006 for whom the minimum retirement age is 55
  - Age 55 – under the 2008 section and the 2015 scheme

If early retirement is being taken, benefits will be at a reduced level. This is because they are being paid earlier and for longer than was expected.

- Under the 1995 section, members of special classes may choose to retire at any time from age 55 provided they meet the relevant criteria, Benefits are not reduced in these circumstances

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	<ul style="list-style-type: none"> <li>The provisions of section 16 of the Agenda for Change Terms and Conditions will apply to employees retiring early on the grounds of redundancy</li> </ul>
4.	<b>RETIREMENT OPTIONS</b>
4.1.	<p><b>Non NHS Pension Scheme Members</b></p> <p>Employees who are not members of the NHS Pension Scheme but who wish to retire should:</p> <ul style="list-style-type: none"> <li>Seek advice from the Government website on State Pensions</li> <li>Give as much notice as possible of their intention to retire, in writing, to their manager to assist succession planning</li> </ul>
4.2.	<p><b>NHS Pension Scheme Members</b></p> <p>Employees who have contributed to the NHS Pension Scheme will qualify for retirement benefits from the pension scheme depending on which scheme they are a member of.</p> <p>From April 2015, the Normal Pension Age (NPA) age that members can receive their pension under the 2015 NHS Pension Scheme arrangements (without reduction for early payment) will be set equal to the individual's State Pension Age. The State Pension Age <a href="#">calculator</a> enables individual's to determine when they will reach state pension age</p>
4.3.	<p><b>NEST Scheme Members</b></p> <p>Within the UHB, there are a small number of staff who are members of the National Employment Savings Trust (NEST). 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.</p> <p>NEST members are able to find out more information via the NEST website <a href="http://www.nestpensions.org.uk">www.nestpensions.org.uk</a></p>
5.	<b>RETIREMENT FLEXIBILITIES</b>
	<p>In the NHS Pension Scheme there are a number of options that allow changes to the way in which people work without a major or negative impact on their future pension or the need to leave work and the pension scheme completely. These are often referred to as 'Flexible Retirement Options' and provide flexibility regarding the age at which employees retire, the length of time an employee takes to retire or the nature and intensity of work in the lead up to retirement.</p>



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	<p>The Flexible Retirement options that may be available to staff will depend on which part of the NHS Pension Scheme they are in. The NHS Working Longer Group have produced a guide for employees on the flexible retirement options and this can be accessed via the following <a href="#">link</a></p> <p>The current Flexible Retirement options are available are as follows:</p>
5.1.	<p><b>Step Down</b></p> <p>Employees can ‘step down’ to a different role to reduce their level of responsibility whilst remaining in NHS employment.</p> <p>Depending on the employee’s age at the time they step down, they may be able to <b>protect a higher level of pay</b> for the calculation of their future pension benefits so that the impact of a change in work only affects their future pension earned after stepping down.</p> <p>This option may support employees to remain in work in the run up to NPA as working at a lower level may feel more achievable and may be more financially advantageous rather than retiring from the UHB completely.</p> <p>Members of the 1995 section who are over the minimum retirement age and whose pay reduces by 10%, may apply for the pension rights earned at the higher level to be preserved. The application must be made within 15 months of the date the rate of pay is reduced. Employees are strongly encouraged to contact the NWSSP Pension Department for further information on this option.</p>
5.2.	<p><b>Wind Down</b></p> <p>Employees can ‘wind down’ to retirement by remaining in their current post, but reducing the number of hours or days they work.</p> <p>For members of the 1995 and 2008 Scheme, pensions for part-time staff are calculated on the whole time equivalent salary and not the actual salary. Therefore, the only impact this may have is on the length of the employee’s membership, is it will take longer to build up future membership if they are working less than full time hours.</p> <p>Members of the 2015 Scheme can also reduce the number of hours or days they work. However, benefits built up in the 2015 Pension Scheme are based on actual pensionable earnings earned in each year rather than length of overall membership. Therefore, the pension earned for the duration of the reduced working hours/days will be based on the reduced pensionable pay.</p> <p>This option may support employees to remain in work for a longer period of time before retirement and could be used in conjunction with a flexible working request.</p>

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5.3.	<p><b>Retire and Return to NHS employment</b></p> <p>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.</p> <p>Employees should note that if they retire before NPA their benefits will be reduced on account of them being paid early. They should also be aware of the timings of their return to NHS employment as they are expected to have a break in service before they do so. If they do not wish to break their service they may be better off considering ‘draw down’ (see below).</p> <p>If employees retire from the 1995 section they may return to NHS employment but cannot continue to contribute to the NHS Pension Scheme, unless they retire on ill health grounds and are under the age of 50. They may however, be able to join an alternative pension scheme under auto enrolment.</p> <p>If employees retire from the 2008 section or the 2015 scheme, they may return to NHS employment and will be able to continue contributing to the NHS Pension Scheme.</p> <p>This option is available to members of the 1995 section, 2008 section and 2015 scheme. Further information about the processes to be followed and a request form are available on the UHB <a href="#">internet</a>.</p> <p>n.b. where an employee requests to retire, access their pension, and return to employment in the same post and on the same hours, their application will automatically be approved.</p>
5.4.	<p><b>Draw Down (2008 section and 2015 scheme only)</b></p> <p>Draw down allows employees to access some of their pension benefits without having to retire from employment. They can take between 20% and 80% of their pension benefits, stay working and continue to build up future membership in the scheme. They can <b>draw down</b> on up to two occasions before retiring completely.</p> <p>It should be noted that any benefits drawn down before the employee’s NPA will be reduced to take account of their early payment.</p> <p>If employees are aged over your NPA and their pay is reduced by at least 10 per cent, they can also partially retire and take some pension benefits. The pensionable pay</p>

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	<p>must be reduced for at least a year or they will cease to be eligible for the pension they have drawn down.</p> <p>This option can be attractive if the employee needs to supplement their income in the run up to full retirement and is available to members of the 2008 section and 2015 scheme.</p>
5.5.	<p><b>Late Retirement Enhancement 2008 section and 2015 scheme only)</b></p> <p>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. These employees can benefit from working longer to achieve an increase in pension benefits when they come to draw their pension.</p> <p>This option is available to members of the 2008 section and 2015 scheme. 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.</p> <p>Members of the 2015 scheme will have late retirement factors applied to all pension earned until retirement</p>
5.6.	<p><b><u>Early Retirement Reduced Buy Out (ERBO) (2015 Scheme only)</u></b></p> <p>This new provision to the 2015 pension scheme arrangements allows staff – and/or their employer – to make additional contributions to the scheme that will allow them to retire earlier than their NPA without any early retirement reduction (although not more than three years earlier than their NPA and not allowing for a retirement age of less than 65 years old). It is known as 'buying out' the early retirement reduction that would otherwise apply.</p>
6.	<p><b>RETIREMENT PROCEDURE</b></p>
6.1.	<p>Staff who wish to retire must discuss their plans with their manager and must give at least 5 months' notice in writing of the date of retirement in order for their pension to be processed in time</p>
6.2.	<p>Managers must ensure that the employee's Staff Termination Form is completed 5 months prior to the date of termination and submitted to Payroll Services. The reason for leaving must be stated as <b>Retirement</b>. A form <b>must</b> be completed even where the Department has Manager Self Service on the ESR system.</p>

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6.3.	NHS Pension Scheme members who plan to retire should complete and return the <i>Application for Retirement Benefits (AW8)</i> Form as soon as possible. The form will be provided by NWSSP Pension Department as soon as they are notified of the employee's intention to retire.
6.4.	Managers should ensure that wherever practicable, staff who are due to retire have taken all paid annual leave owing prior to their retirement date. The requirement to ensure that all leave is taken is to avoid additional costs to the UHB and to avoid NHS Pensions having to re-visit pension calculations which can be very time-consuming
7.	<b>PREPARING FOR RETIREMENT</b>
7.1.	<p><b>Requesting an Estimate from NHS Pensions</b></p> <p>All employees are able to access their personal Total Reward Statement (TRS), including their Annual Benefit Statement (ABS) via the ESR Portal.</p> <p>This service is free of charge and is a faster and more convenient way for members to obtain information about their NHS pension. There will also be a refresh of information every year to keep members details about their pensions current.</p> <p>Staff may request a pension quote from the Pensions Department by contacting the Pensions Department on 029 2090 3908 <b>or by e-mailing</b> <a href="mailto:Pensions.Enquires@wales.nhs.uk">Pensions.Enquires@wales.nhs.uk</a></p> <p>Estimates can also be obtained by calling NHS Pensions on 0300 330 1346, however, NHS Pensions have indicated that if a member requests a standard Age Estimate and their records show that there is an estimate available on the TRS portal, the member will be redirected to the TRS website</p>
7.2.	<p><b>Pre-Retirement Course</b></p> <p>All staff will be given the opportunity to attend, free of charge, a pre-retirement course providing sufficient notice is given. Managers should ensure that staff are made aware of the pre-retirement courses and to make appropriate arrangements.</p>
7.3.	<p><b>Chair's Letter</b></p> <p>The Line Manager will arrange through the Workforce and OD Directorate for the Chairman to be informed via the <a href="#">Retirement Proforma</a> and a retirement letter will be prepared and issued.</p>
8.	<p><b>NHS RETIREMENT FELLOWSHIP (WALES)</b></p> <p>For any staff who are retiring or contemplating retiring, the NHS Retirement Fellowship (Wales) aims to provide a bridge between life in the NHS and retirement.</p> <p>The Cardiff and District Branch of the NHS Retirement Fellowship (Wales) meets on the first Wednesday of each month.</p> <p><b>Benefits of Membership include:</b></p>

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	<ul style="list-style-type: none"> <li>• Establishing / maintaining friendships</li> <li>• Regular meetings</li> <li>• Events diary</li> <li>• Holidays / short breaks</li> <li>• Links with other branches</li> <li>• Newsletters</li> <li>• Annual Conference / holiday</li> <li>• Home visits / Benevolent Fund</li> <li>• Study bursary</li> </ul> <p><b>Who Can Join?</b></p> <ul style="list-style-type: none"> <li>• Anyone who has retired from working for the NHS regardless of age, when or why retired.</li> <li>• Anyone of the age of 50 years or over who still works within the NHS, at any grade.</li> <li>• Those who worked or are working for a contracted service within the NHS.</li> <li>• Volunteers who give their services to the NHS in any way.</li> <li>• Partners / spouses of any of the above.</li> </ul> <p>Further information is available on the NHS Retirement Fellowship Cymru website at <a href="http://www.nhsrf-cymru.co.uk">www.nhsrf-cymru.co.uk</a></p>
9.	<p><b>USEFUL LINKS</b></p> <p>NHS Pensions Agency <a href="http://www.nhsbsa.nhs.uk/pensions">www.nhsbsa.nhs.uk/pensions</a></p> <p><a href="#">NHS Pensions Retirement Guide</a></p> <p>NHS Pensions Member Helpline 0300 3301 346</p>