

RETIREMENT POLICY

Summary

The Retirement Policy sets out the guiding principles for ensuring that all staff considering retiring from the Trust are aware of the choices available to them and are given the facilities to make proper preparation for their retirement. To accompany this policy is a separate Retirement Procedure document which explains the processes to be followed when considering whether to retire. The Retirement Procedure is available on the Intranet.

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1. INTRODUCTION AND POLICY STATEMENT

1.1 The Royal Marsden NHS Foundation Trust (hereinafter called the Trust) is committed to ensuring that all employees retiring from the Trust are aware of the choices available to them and are given the facilities to make proper preparation for their retirement in accordance with equal opportunities and statutory requirements.

2. PURPOSE AND SCOPE

2.1 The Retirement Policy and Procedure apply to all employees directly employed by the Trust.

2.2 Under current legislation, employers may use a fixed retirement age only in limited circumstances, where it would be a proportionate measure to achieve a legitimate business aim. The Trust considers that it does not require a fixed retirement age, or Employer Justified Retirement Age, for its employees although may review this decision in the future.

2.3 The Trust believes in providing equity in its services, in treating people fairly with respect and dignity and in valuing diversity both as a provider of cancer and community health services and as an employer. These principles will apply in the application of this policy and procedure.

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3. GENERAL PRINCIPLES

- 3.1 The policy sets out the retirement planning procedure that managers and staff must follow when considering the option of retirement.
- 3.2 It highlights that employees have alternatives leading up to formal retirement through flexible retirement options including step down, wind down and retire and return.
- 3.3 There is no right to retire and return to work. A return to work will be dependent on the business needs in each case and will be on a fixed term basis of no longer than one year.
- 3.4 The policy confirms the Trust's commitment to a positive approach to equal opportunities in the employment of staff irrespective of their age.
- 3.5 Employers have a statutory duty to prevent discrimination on the grounds of age. The Trust will ensure that the application of any part of this policy and accompanying procedure does not have the effect of discriminating, directly or indirectly, against employees and is in accordance with the aims set out in the Trust's Equality and Diversity Policy.

4. RETIREMENT AGE

- 4.1 The Trust operates a flexible retirement policy without any set retirement age, confirming its commitment to employing employees of all ages.
- 4.2 The Trust recognises the contributions of a diverse workforce, including the skills and experience of older employees. It believes that employees should, wherever possible, be permitted to continue working for as long as they wish to do so. Employees may voluntarily resign from their position and retire at a time of their choosing.

5. RETIREMENT OPTIONS AND THE NHS PENSION SCHEME

- 5.1 On 1 April 2015 a new NHS Pension Scheme was introduced; it covers all transitioning and new NHS employees from that date. For full details visit http://www.nhsbsa.nhs.uk/Documents/Pensions/Look_up_table_for_2015_arrangements. Active membership of the 1995 and 2008 Sections of the NHS Pension scheme has ceased for those staff not eligible for full or tapered protection. There are some members who are entitled to remain in the 1995/2008 Scheme through Protection arrangements. Further information about Protection arrangements is available at www.nhsbsa.nhs.uk/Pensions
- 5.2 Normal Pension Age (NPA) is the age at which a member of the NHS Pension Scheme can retire and draw their benefits in full. In the 1995 and 2008 Sections NPA is fixed at 60 or 65 respectively, except where a 1995 Section member becomes entitled to an earlier NPA based on reserved rights. In the 2015 Scheme, a member's NPA is linked to the member's state pension age (SPA).

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5.3 Members with Special Class/Mental Health Officer (MHO) Status.

Nurses, midwives, health visitors and physiotherapists in post on or before 6 March 1995 who have not had a break in pensionable employment of any one period of five years or more, may have the right to retire from a NPA of 55 without a reduction to their pension. MHOs in post on or before 6 March 1995 with at least 20 years' MHO membership, who have not had a break in pensionable employment of any one period of five years or more may also have the right to retire from 55. To be eligible for Special Class or MHO status and the right to retire from a NPA of 55 certain criteria must be met.

Further information detailing these criteria can be found in the Special Class and MHO factsheets available from <http://www.nhsbsa.nhs.uk/pensions>.

6. EARLY RETIREMENT OPTIONS

6.1 Employees may choose to retire early and draw an actuarially reduced pension. An employee within the 1995 section of the scheme can take early retirement at age 50 if they joined the scheme before 6 April 2006 and have not had a break of 5 years or more otherwise the minimum pension age is 55. The minimum pension age for employees within the 2008 and 2015 sections is 55.

6.2 Employees who take voluntary early retirement before their normal pension age will have their benefits reduced to account for drawing their pension for a longer period. However, there is a new reduction buy-out facility in the 2015 scheme which allows members of the 2015 pension scheme with an NPA higher than 65 to pay additional contributions to reduce or, in some cases, remove any early retirement reduction that would apply to their 2015 scheme benefits if they retire before their NPA.

7. FLEXIBLE RETIREMENT

7.1 The Trust recognises the benefits in offering the opportunity of flexible retirement. Experienced staff have a great deal to offer the Trust later in their careers, particularly in terms of knowledge and skills. Flexible retirement also allows ample time for adequate succession planning to ensure continuity of Trust services.

7.2 The Trust's Flexible Working Options lists some of the possible arrangements which, subject to the agreement of the employee's line manager, could be considered when deciding on retirement options. All requests for flexible working must be made using the Trust's Flexible Working and Employment Break Procedure.

7.3 Employees who wish to continue to work after they have retired may wish to consider the following:

- ad hoc, casual work, e.g., on the Trust's nursing or administrative & clerical banks
- applying for a vacant post either in the Trust or elsewhere in the NHS by completing the normal recruitment process.

Further details of the criteria for retire and return to work in the same post can be found under section 5 of the Retirement Procedure.

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- 7.4 These arrangements enable those who are eligible to retire the option of being able to enjoy the benefits of work, whilst at the same time retaining the additional freedoms that retirement brings.
- 7.5 NHS Pensions guidance states that any re-employment post retirement should be in a substantially reduced role. The Trust supports a return to the same role for only specific business related reasons.
- 7.6 For further advice on the options available and how to request a change in working practice, employees are advised to contact their line manager.
- 7.7 It is important for members of staff wishing to consider flexible retirement to contact the Payroll Helpdesk for specific pension advice to clarify how their pension entitlement may be affected. Payroll can be contacted on 0303 123 1144 or by completing the web enquiry form at <https://www.nhsbsa.nhs.uk/nhs-pensions>.

8. ILL HEALTH RETIREMENT

- 8.1 If an employee has at least two years' membership of the NHS Pension Scheme, and is too ill to work in their present job, they may wish to apply to NHS Pensions for consideration of entitlement to ill health retirement benefits. The outcome of all applications is decided by the Medical Advisers to NHS Pensions and not by the Trust as the employer.
- 8.2 There are two tiers of ill health retirement and the benefits an employee receives will depend on whether or not they are capable of undertaking employment elsewhere. The minimum pension age does not apply in the case of ill health retirement.
- 8.3 To be considered for ill health retirement an employee of any age, full time or part time, must have:
- At least two years' membership of the NHS Pension Scheme (or have at least two years' preserved benefits); and
 - Support for ill health retirement from either the Occupational Health Department or their own GP/Consultant.
- 8.4 Retirement on the grounds of ill health is covered in the Trust's Policy for Managing Sickness Absence and associated Managing Long Term Sickness Absence Procedure.

9. STATE RETIREMENT PENSION

- 9.1 Entitlement to State Retirement Pension begins at the agreed State Pension Age and employees are encouraged to visit <https://www.gov.uk/state-pension/eligibility> for more information.

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10. ROLES AND RESPONSIBILITIES

10.1 Managers are responsible for:

- Participating fully in pre-retirement planning with the employee and ensuring that the processes contained in this policy and procedure are adhered to in the required timescales. It is important that line managers ensure consistent application of the policy within their area of responsibility.
- Asking all employees, irrespective of age, about their aims and aspirations for the short, medium and long term 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.

10.2 Human Resources are responsible for:

- Providing advice and support to managers and employees in the practical application of the policy and procedure.
- Monitoring its application to ensure it is applied in a fair and consistent way across the Trust.

10.3 Employees are responsible for:

- 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.
- Notifying their line manager of their intended retirement date with at least the required 4 months' notice to enable service continuity and succession planning.
- Making any application for flexible retirement through their line manager.
- Managing their pension. All pension queries need to be directed to the payroll helpdesk. HR can not advise on pensions.

11. POLICY REVIEW

11.1 Overall responsibility for this policy and procedure rests with the Director of Workforce.

11.2 This policy and the associated procedure will be reviewed at the date stated and may be subject to change at that time or at an earlier date if necessary, subject to consultation with staff representatives recognised for that purpose.

12. LINKED TRUST POLICIES

12.1 This policy should not be used in a way that breaches any of the Trust's other policies. This includes, but is not limited to, the following policies:

- Recruitment and Selection Policy and Procedure
- Flexible Working and Employment Break Policy and Procedure
- Equality and Diversity Policy

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Note: Please refer to the [Retirement Procedure](#) which details the processes to be followed by managers and employees when considering the option of retirement. This document is available on the Trust Intranet.

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