

Livewell Southwest

Flexible Retirement Policy

Version No 1.5

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Notice to staff using a paper copy of this guidance

The policies and procedures page of LSW intranet holds the most recent version of this document and staff must ensure that they are using the most recent guidance.

Author: Human Resources

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Author Contact Details	By post: Local Care Centre Mount Gould Hospital, 200 Mount Gould Road, Plymouth, Devon PL4 7PY Tel: 0845 155 8085 Fax: 01752 272522 (LCC Reception)

Document Version Control

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1	First full review	September 2011	Head of Employee Relations	New document
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1.2	Review	May 2014	HR & Corporate Services	Minor changes
1.3	Review	May 2015	HR Manager	Minor changes
1.4	Extended	March 2016	HR Manager	Extended and updated to LSW. Telephone numbers amended.
1.5	Minor change	June 2016	HR	Minor amendment made

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Flexible Retirement Policy

1. Executive Summary

- 1.1 There are a number of contributing factors why people want to retire from the organisation at the earliest possible opportunity, continual change, increased workload, long hours culture, physical wear and tear, rigid career structure.
- 1.2 Staff are the life-blood of the organisation. If the organisation wishes to solve not only problems regarding older workers but also its other staffing issues, then the capability to manage staff creatively must be developed in all managers.
- 1.3 Likewise, human resource practices must be modernised, particularly regarding the diversity of the workforce, for example by designing policies to attract and retain older workers.
- 1.4 Flexible working and flexible approaches to retirement might just prove attractive options. The Flexible Retirement Policy does, therefore, highlight other options that would allow staff to continue to contribute to our services whilst at the same time outlining the retirement process and new employment rights provided by the Equality Act 2010.
- 1.5 This Policy forms part of the organisation's support and benefits to staff.

2. Introduction

- 2.1 This policy aims to promote flexible retirement and increase the options available to staff. It recognises that there can be a variety of approaches and the options described here are not exhaustive. What is important is that the organisation will seek ways of accommodating the aspirations of staff where this fits in with the needs of the business.
- 2.2 This policy is also designed to help managers and staff understand the full impact of the Equality Act that came into force on 1st October 2010.
- 2.3 Where English is not the employee's first language or where the reading or understanding of this policy is difficult, staff should endeavour to speak with their manager, HR Manager or Trade Union Representative for clarification. See "Where to go for Advice" Section 19.
- 2.4 Livewell Southwest is committed to fairness and equity and values diversity in all aspects of its work as a provider of health and social care services and as an employer of people. We constantly strive to build a workforce that is representative of the community it serves.
- 2.5 Livewell Southwest is committed to eliminating all forms of discrimination on the grounds of age, disability, gender reassignment, marriage / civil partnership, pregnancy maternity, race, religion or belief, sex and sexual orientation in the provision of our services and in recruitment and employment. This enables an environment that is characterised by dignity and respect which is free from

harassment, bullying and victimisation.

3. Objective

- 3.1 To apply a fair and consistent application for all staff when they wish to retire or retire and return to work. The timing of retirement is a matter of individual choice and mutual agreement between the employee and employer. Staff are encouraged to remain with the organisation where competence, capacity and position meet mutual expectations

4. Age Discrimination

- 4.1 What is age discrimination? Age discrimination is when someone's age is used as the basis for employment decision, including retirement decisions. Age discrimination or ageism as it is sometimes referred to tends to occur when assumptions about people's ability and competence are made based on their age, supported by stereotypes, prejudices and myths.
- 4.2 Age discrimination is something everyone can relate to – we all have an age.
- 4.3 Livewell Southwest expects that all employees will challenge and change age discrimination wherever and whenever it exists.
- 4.4 Age harassment and victimisation is unlawful and will result in disciplinary action.

5. Contractual Position

- 5.1 Livewell Southwest has no set retirement date.
- 5.2 Staff can elect to retire at a date of their choosing.
- 5.2.1 Pensionable age is the age at which staff can draw their state or NHS pensions. Employees who are members of the Pension Scheme before 1 April 2008 can retire at 60 and claim their full pension (of 55 if you have special class status). Employees who joined the Pension Scheme on or after 1 April 2008 have a normal pension age of 65.

6. Pension Rules

- 6.1 The rules of the NHS Pension Scheme are determined by the Secretary of State for Health (represented by the NHS Pensions Agency and not the organisation). The scheme is currently under review and the following may change. There are various schemes with different rules.
- 6.2 Members of the scheme can retire at any time after the age of 50 and apply for early pension. The amount due is actuarially reduced according to a set table. The scheme allows (subject to certain rules of re-engagement) employees in

receipt of a pension to re-engage in NHS employment. In the case of 'step down' pension may be preserved at the higher salary.

- 6.3 Employees are strongly advised to ensure they have received appropriate pensions advice before agreeing any contract changes. The contact details can be found in Section 19.

7. Flexible Retirement - The Options

7.1 Career Break/Come Back

7.1.1 Retirement need not be a sudden shift from working to not working.

7.1.2 Retirement planning including options for flexible retirement is an important issue especially as we have some groups of staff who can retire as early as 55. Personal circumstances also come into play when considering retirement options.

7.1.3 We hope that the initiatives promoted below are a sensitive and imaginative approach to encouraging older staff not to leave work earlier than planned.

7.1.4 Further information on Career Breaks can be found in the Career Break Guidance on the Intranet and within the Agenda for Change Handbook (Section 36) Employment Break Scheme.

7.2 Wind Down

7.2.1 Where an employee joined the NHS Pension Scheme on or **before the 1 April 2008** they can agree with the line manager to reduce hours within the same post. This agreement could be on a permanent or trial basis, with an annual review. A trial should last no longer than six months.

7.2.2 This should only be considered on the request of an individual but consideration must be given to the needs of the service before it is approved.

7.2.3 Reducing working hours will result in a reduced level of membership to the NHS Pension Scheme. For details please contact the NHS Pensions Agency.

7.3 Draw Down

7.3.1 Employees aged 55 or over who joined the NHS Pension Scheme **after the 1st April 2008** are eligible to take some of their pension if they reduce their pay by more than 10% by switching to a lower paid job or reduce their hours, without taking a break in employment. Employees can draw down their pension twice before retiring completely. If the employee reduces their hours there will be an annual review of the working hours.

7.4 Step Down

7.4.1 An employee who is over the minimum retirement age and a member of the NHS Pension Scheme **on or before the 1st April 2008** can request a transfer to a post carrying less responsibilities and at a lower salary banding (same hours or less), providing the employee meets the person specification of the alternative post. They will be given priority status and will either slot-in or have an interview.

7.4.2 The reduction in pay must be at least 10% and the employee has to apply for the higher rate of pay to be protected for pension purposes within 15 months of their pay reducing. Employees can only apply for this once.

[N.B Priority status in these circumstances is lower than another employee at risk of redundancy or who needs to be moved for health reasons].

7.5 Retire and Come Back

7.5.1 The decision to allow an employee to retire and return to work is discretionary and the organisation will only give its agreement to allow a return to work following retirement where the supporting manager can provide evidence detailed in Section 7.5.3

7.5.2 An employee can request to retire, receive their Occupational Pension and come back to work part-time. This request must be made using the application form in Appendix A.

7.5.3 To support the application the manager must write a business case which must consider the following:

- (i) Was the request addressed in the Workforce Plan?
- (ii) If not in the Workforce Plan, can the request be readily accommodated without significant effect?
- (iii) Will the request, if granted positively or adversely affect the development of other staff and succession planning?
- (iv) Are the skills and experience of the individual employee important to retain?
- (v) Do you have documented concerns about the individual's performance, absence or conduct?
- (vi) Is the proposal economically viable? Most requests will involve a reduction in hours. Reducing to below half of full time hours per week may not be cost effective.
- (vii) Will agreement compromise present and future cost saving plans.

7.5.4 The individual can request to come back to their existing job or other suitable employment, not necessarily at the same band of their existing job. If they are over 60, the amount they can earn should have no effect on their pension currently. If they are under 60, their pension can be affected but not until their earnings take their total income beyond their pre-retirement pay. Whatever their age when they retire, they should not work for more than 16 hours a week in the first month of their retirement.

7.5.5 In order for employees to receive their pension the contract of employment must be terminated. The member of staff must have at least an eight day break before commencing the new contract and contracts will be time limited to 12 months with a review at nine months with the manager and the individual. This review should take into consideration the needs of the organisation as well as the individual. At this review a decision should be taken on whether to continue with the arrangement or not and for how long it should continue, with a maximum of a one year extension being given. Only one extension can be granted and therefore the contract will not exceed two years unless there is a distinct business need. The review needs to be approved or not following the same process as the original application.

7.5.6 A new contract will be issued and this will be the current terms and conditions offered by the organisation. This break in service will not affect the individual's annual leave and sick pay position.

8. The Flexible Retirement Process

8.1 The employee starts the formal process by completing the Application Form from the Intranet or by clicking on [this hyperlink](#). This requires the employee to outline the request and how the changes will affect the work area.

8.2 On receipt of the application the manager should review the application taking into consideration the points outlined in Section 7.5.3. The manager should meet and discuss the application with the employee within 14 days of receipt of the application. Once the manager has completed Section B the form should be forwarded to the Locality Manager or equivalent, with the business and workforce plan no later than 14 days after the meeting has taken place.

8.3 The Locality Manager or equivalent will review the decision of the line manager and give reasons for the decision and forward to the form to the HR Team no later than seven days following receipt of the application.

8.4 The final review of the decision is to be made by the Head of HR. The employee should be informed of the outcome of the review no later than seven days of the decision being made.

8.5 If the request has not been granted there is one level of appeal only. This appeal needs to be put in writing within three weeks of receiving a non-approval to the Director of Operations. The Director of Operations, or a nominated deputy who has not been involved in the process, will normally hear the appeal within three weeks of the receipt. The Director's decision is final.

9. Advice

9.1 Before contemplating retirement employees should take advice from any or all of the following: Line Manager, Trade Union Representative, HR Manager, Independent Financial Adviser, NHS Pensions Agency and Shared Business Services.

- 9.2 Line Managers should consider requests for career breaks, wind down and step down, retire and come back, but should seek advice from HR Manager when they are considering refusing a request.
- 9.3 No requests received from staff to flexibly retire will be approved or refused unless the application has been through the full approval process. This also applies for the review meetings.

10. Independent Financial Advice

- 10.1 Managers should encourage their staff to seek independent financial advice before embarking on flexible retirement to ensure that they have sufficient information to make an informed decision before reducing hours of work or salary. A list of Independent Financial Advisors can be found in the Yellow Pages, Telephone Directory under Financial Advisors or call the Financial Services Authority (FSA) Consumer Helpline on 0845 606 1234.

11. State Pension Forecast and Guide

- 11.1 Staff wishing to obtain a personal State Pension Forecast should contact The Pensions Service requesting (Form BR19) Application for a Retirement Pension forecast at:

The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU

- 11.2 Staff should quote their National Insurance Number which is shown on payslips. You can get a State Retirement Pension forecast if you are more than four months away from State Pension Retirement age. Your forecast will tell you in today's money values:
- The amount of Basic State Pension you have earned already
 - The amount of Basic State Pension that you can expect at state pension age based on what you have earned already and what you might earn before you retire.
- 11.3 Your forecast will also tell you if there is anything you can do to improve your Basic Pension.

12. Retirement

- 12.1 When a member wishes to retire they need to contact a Pensions Advisor at Shared Business Services and complete the necessary paperwork giving four months' notice.

13. Lost Touch with an Old Non-NHS Pension?

- 13.1 Staff who have lost touch with a previous non-NHS Pension when changing jobs should contact the Pensions Tracing Service, part of the Department for Work and Pensions. The PTS provides a free tracing service. They hold details on more than 200,000 occupational pension schemes and some personal pension schemes too, although they do not know whether the individual has any pension rights with a particular scheme and they do not hold details about who belongs to a pension scheme but what they will do is give staff an up-to-date name and address to help them make contact with a pension somewhere where they think they may have benefits.
- 13.2 Staff who think they may have lost touch with a non-NHS Pension Scheme or just want to check out whether they ever contributed to a previous employer's pension scheme should give the PTS a call and ask for Form PT1 05/06. Their contact details are:

Pension Tracing Service Telephone: 0345 6002 537

The Pension Service 9
Mail Handling Site A
Wolverhampton
WV98 1LU

<https://www.gov.uk/find-pension-contact-details>

14. Dispute

- 14.1 In the event that the employee is unhappy with the application of this policy they can involve LSW's Grievance Policy.

15. Long Service Award

- 15.1 A one-off service award is payable to all grades of staff with 15, 20 or 30 years service in recognition of years of loyal service and contribution over time to our services. This can be payable upon retirement or at the end of employment as a long service award. Forms are available on the Intranet.

16. The Farewell Party

Some staff will welcome a farewell celebration, some will not. Either way it is the individual we are valuing not their age. Any celebration is a local arrangement to the unit/ward/service where the employee worked.

17. Other Related Policies

- Poor Performance
- Redundancy Policy
- Redeployment Policy
- Grievance Policy
- Bullying & Harassment Policy
- Agenda for Change

18. Review

This Policy will be reviewed two yearly or earlier if there is a change in evidence.

19. Where to Go for Advice

Internal Contacts

HR Team (01752) 434163/434024
Trade Union Office (01752) 434450

External Contacts

NHS Pensions Agency (Members Helpline) 0300 3301 346.
Shared Business Service Pensions Advisor 0303 123 1144
Pensions Tracing Agency
(for Non NHS Pensions) 0345 6002 537
Financial Conduct Authority (FCA)
(For advice on Independent Financial Advisors) 0800 111 6768
Employers Forum on Age www.enei.org.uk
ACAS www.acas.org.uk
Tel: 08457 474747
Age UK 0800 169 2081
Retired Staffs Association Contact:
Ms Christine Greenshield
Sentosa,
Chilsworthy Beam,
Gunnislake, Cornwall,
01822 832644

All policies are required to be electronically signed by the Lead Director. Proof of the e-signature is stored in the policies database.

The Lead Director approves this document and any attached appendices. For operational policies this will be the Locality Manager.

Signed:

Title: Deputy Heads of HR

Date: 17th May 2016

Appendix A

Flow Chart

