FLEXIBLE RETIREMENT POLICY

(This policy will sit within the Work-Life Balance suite of policies)

<table>
<thead>
<tr>
<th>Author</th>
<th>Lynda Gordon, Head of Equality Assurance Unit</th>
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<tr>
<td>Directorate responsible for this Document</td>
<td>Human Resources &amp; Organisational Development</td>
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<td>Screened by</td>
<td>Lynda Gordon, Equality Assurance Unit</td>
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## Policy Checklist

<table>
<thead>
<tr>
<th>Name of Policy:</th>
<th>Flexible Retirement Policy</th>
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<tr>
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<td>Human Resources &amp; Organisational Development</td>
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</tbody>
</table>
| Name & Title of Author: | Lynda Gordon  
Head of Equality Assurance Unit |
| Does this meet criteria of a Policy? | Yes |
| Trade Union consultation? | |
| Equality Screened by: | Lynda Gordon |
| Date Policy submitted to Policy Scrutiny Committee: | 17 June 2013 |
| Members of Policy Scrutiny Committee in Attendance: | Vivienne Toal, Head of Employee Engagement & Relations (Chair), Anita Carroll, Assistant Director of Acute Services – Functional Support Services, Barry Collins, Head of Transport Services, Claire Graham, Head of Corporate Records (for Siobhan Hanna), Geraldine Harvey, Social Worker (for Francesca Leyden & Marita Magennis), Melanie McClements, Assistant Director of Older People's Services, Fiona Wright, Assistant Director of Nursing Services, Governance & Workforce Planning |
| Policy Approved/Rejected/Amended | Approved |
| Policy Implementation Plan included? | Yes |
| Any other comments: | |
| Date presented to SMT | |
| Director Responsible | Kieran Donaghy |
| SMT Approved/Rejected/Amended | |
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# POLICY DOCUMENT – VERSION CONTROL SHEET

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Title: Head of Equality Assurance Unit |
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Title: Head of Equality Assurance Unit |
1. **Introduction**

The Trust recognises that many staff may wish to retire from the Trust in a phased and managed way. The Trust, therefore, has developed a Flexible Retirement Policy (as part of its suite of Work Life Balance Policies) to facilitate staff with the opportunity to apply for a number of options to assist them in planning and managing their retirement from the Trust in the three year period leading up to their actual intended retirement date. This Policy is in line with the Employment Equality (Age) Regulations (NI) 2006 as amended.

This Policy does not purport to provide guidance to individuals and staff are advised to consider their options carefully and seek independent financial advice before taking any decisions which may affect either their occupational / state pension position or national insurance contributions.

Employees who wish to make application under this Policy, and are members of the HSC Pension Scheme, should ensure that they read it in conjunction with the HSC Pension Scheme Guide and ensure that they liaise directly with the HSC Pension Service in relation to obtaining information on their entitlements and benefits. The information contained in the HSC Pension Scheme Guide regarding the provisions of the HSC Pension Scheme provides employees with an overview of the flexible working/retirement options available; it does not give a complete or legally binding statement of law and it should be noted that nothing in the Guide can override the HSC Pension Scheme Regulations.

In addition, in considering applications under this Flexible Retirement Policy the requirements of the Agenda for Change Terms and Conditions must be taken into account, in particular the terms relating to Continuity of Service and Redundancy Pay as set out in Sections 12 and 16 of the NHS Terms and Conditions of Service Handbook.

While every effort will be made to facilitate individual applications under this Policy each application made will be considered in the context of work force planning and service needs, consideration of labour market trends, skills shortages, employees on the Trust’s Redeployment Register, job opportunities and career progression in the relevant profession or service area.

2. **Objectives**

The objectives of flexible retirement are:

- To retain skills and expertise within the Trust.
- To give staff the opportunity to retire flexibly through a managed and phased approach in advance of their chosen date to exit the Trust.
3. **Eligibility**

All staff are eligible to apply for flexible retirement.

Flexible retirement options are available up until an individual fully retires and, where superannuable, avails of their full pension entitlement.

Individuals will have no entitlement to lift their full pension and continue working in a substantive post. Members of 2008 scheme may be eligible to draw down part of their pension – refer to Paragraph 5. However, in exceptional circumstances at the time of retirement, the Trust may allow an individual to return to employment following retirement where there is a skills shortage. Where this is the case approval must be given by the relevant Assistant Director of Human Resources and Operational Assistant Director.

All staff are expected to retire from service at the age of 70. Exceptions are extended to very limited circumstances such as maintaining business continuity and the provision of on-going safe services – please refer to the Trust’s Age Retirement Policy for further information. Staff are not obliged to work until the age of 70 years as they may wish to initiate their own retirement at an earlier age. They may also wish to avail of the flexible retirement options (listed in paragraph 5 below) in the three year period leading up to their actual intended retirement date.

4. **Applying for Flexible Retirement**

Applications for flexible retirement should be made using the Work Life Balance Flexible Working Arrangements application form. It should be noted that while all requests will be given serious consideration approval cannot be guaranteed. All decisions will be subject to exigencies of the Service.

In considering when to retire individual members of staff should consider the impact of the available options in relation to their pension benefits. The following points should be noted:

- Members who retain “special class” status should note that they cannot contribute to the HSC Pension Scheme after age 65 unlike other members who, up to a maximum of 45 years, can contribute up to age 75.
- Members of the 1995 section of the Pension Scheme can retire and take their pension between age 50 (55 for some members) and 75. Members of the 2008 section of the Pension Scheme can choose to retire between age 55 and 75.
- With regard to total number of years’ service, a reduction in hours or change in pay band will lead to a reduction in service calculated for pension purposes but full time equivalent pay will be used for the calculation of the pension. For example if a member of staff works their last 6 years at half time (18.75 hours) this will equate to three years full-time service for pension purposes.
5. **Flexible Retirement Options**

There are **three** main options which are set out below:

- **Option 1 – Bank Working Post Retirement**
- **Option 2 – Reduction in Hours**
- **Option 3 – Stepping Down**

It should be noted that in relation to options 2 and 3 if a member of staff is a member of the 2008 Section of the HSC Pension Scheme that a Drawing Down facility is available. This option allows members to take part of their pension benefits while continuing in NHS employment. If members are over the minimum retirement age of 55 and their pay is reduced by a minimum of 10%, they can partially retire and take some pension benefits. Members can take 20% to 80% of their pension entitlement and continue to build up future membership. The members’ benefits would be reduced if they are paid before their 65th birthday. Pensionable pay must remain reduced for at least a year; otherwise they will cease to be eligible for the pension they have taken. Members can draw down benefits twice before retiring completely.

**Option 1 – Bank Working Post Retirement**

This option is available to staff who wish to transfer to a bank worker contract at the time of their retirement from the Trust - where one is operational in the Trust. Staff may choose to retire but remain on a bank contract of employment which means that they may be contacted to work during particularly busy periods. This option cannot be used for individuals to avail of flexible retirement and then return to the same substantive job role. Bank working arrangements will be in line with the Trust’s relevant Bank Procedure. Bank workers are not obliged to accept work when contacted and this arrangement may suit those who would like to work for short periods of time only. Bank workers should note that whilst they can accrue annual leave under the Working Time Regulations, they are not eligible for sick pay under this arrangement. Bank workers will be paid as appropriate to the bank post and will receive incremental progression (if applicable) only when 488 hours have been completed in any year.

- Individuals aged 60 or over who choose this arrangement and have retired from the Trust should note that bank working will **not** affect the pension paid by the HSC Pension Scheme. There must be at least a **24 hour break** before returning back to employment and Bank Workers must work less than 16 hours per week in the first calendar month to avoid their pension being suspended.

- Individuals aged under 60, will have their pension reduced if they retire and return to work and their new HSC earnings exceed the permitted to earn limit. The permitted to earn figure will be determined by the type of retirement taken and the date of that retirement. They should discuss this with the Employment Engagement & Relations (EER) Department and must contact the HSC Pension Service directly to find out what their permitted to
earn figure is before their pension becomes affected. (Contact details are provided at the end of this Policy.)

Option 2 – Reduction in Hours

Staff may apply to reduce their hours and work on a part-time basis within the three year period leading up to their intended retirement date as indicated on their application form. Staff who have this option approved will have their existing contract amended accordingly.

The details set out in Section 4 in relation to the impact reduced hours will have on their occupational / state pension and other related benefits should be noted.

In relation to those staff who wish to apply to reduce their hours for a period in excess of three years then the normal application for reduced hours under the Trust’s Part Time Working Policy should be made.

Option 3 – Stepping Down

Staff may like to consider stepping down into a less demanding role at a lower banding in the three years leading up to their intended retirement date as indicated on their application form. Staff should discuss their application with their Line Manager who will then consider if there are any suitable vacancies either within their own or other departments within the Trust. The member of staff must meet the essential criteria for the post in question. Staff who have this option approved will have their existing contract amended accordingly.

The level of pensionable pay for the calculation of pension benefits for superannuable staff is dependent on the Pension Scheme Section of which they are a member as set out below:

1995 section
If a member has reached the minimum retirement age of 50 (or 55 for some members) and their pay is reduced by a minimum of 10% they can apply for their pension benefits up to the date of the change to be protected. The member must apply within 15 months of reduction.

Benefits are calculated on the basis of $1/80^{th}$ of the best of the last three years’ pensionable pay for each year of pensionable membership.

2008 section
If a member has reached the minimum retirement age of 55, they can consider moving towards retirement by switching to a less demanding role. The member’s reckonable pay will still consider any higher earnings they may have had in the ten years prior to their retirement date.

Benefits are calculated on the basis of $1/60^{th}$ of annual average of the best three consecutive years’ pensionable pay, in the last ten years.
6. **Can Staff Change Their Mind?**

   It is recognised that circumstances can change and any changes to your retirement plan should be discussed with your Line Manager. It should be noted that at least 3 months’ notice is required for Pension purposes to process a retirement application.

7. **Further Information**

   **HPSS Superannuation Branch**
   Waterside House
   75 Duke Street
   Londonderry
   BT47 6FP

   Telephone: 028 7131 9000

   **Employee Engagement and Relations Department**
   Human Resources
   Hill Building
   St Luke’s Site
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   BT61 7NQ

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