

Cambridgeshire Primary Care Trust Retirement Procedure

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Retirement Procedure

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Cambridgeshire Primary Care Trust

Retirement Policy and Procedure

1. Policy Statement

Retirement is a time of great significance in a person's life and the Trust is committed to giving members of staff who are retiring every facility to ensure as smooth a transition as possible from work to retirement. This includes a flexible approach to retirement.

The contribution of staff at all stages of their working life is acknowledged and respected by the Trust. The purpose of this policy and procedure is to lay down the principles and practices that will govern the Trust's approach to staff retirement. It is intended to promote equity and fairness and to give managers and staff the flexibility to plan retirements.

It is the policy of the Trust that all staff shall have a contractual retirement date at the age of 65 years, unless otherwise stated in their Terms and Conditions of Employment. This means that, unless retiring before, staff will normally retire on the day before their 65th birthday.

Under the 'Age Discrimination Act 2006' those staff who reach their contractual retirement age can request to work beyond this subject to the 'Fair Retirement Procedure' included in this policy

The enclosed procedure for handling retirements recognises the Trust's commitment to the following principles:-

1. To provide staff with the facilities to prepare for retirement.
2. To enable staff who are eligible to retire before the age of 65 to do so. This can be either full or "flexible" retirement.
3. To acknowledge the special contributions of staff who have long service with the Trust
4. To allow staff reaching the contractual retirement age of 65 to request to work beyond 65.

2. Scope

This Policy applies to all staff employed by the Trust.

3. Flexible Retirement

The Trust are keen to support staff who wish to look at their retirement with a flexible approach, and has the following options available for staff to consider:

a) Wind Down.

Staff may be able to reduce their contracted hours. Staff considering this option must be aware that a reduction in hours will result in reduced service membership to the NHS Pension Scheme for the period of the reduced hours.

Part-Time Work

In line with the Trust's Flexible Working Policy a request to move to part-time working would not be unreasonably refused by the Trust and managers will be as flexible as possible within the service requirements. It might be appropriate in these circumstances to give consideration to Job Sharing posts.

The pension for a part-time member of staff will be calculated on the whole-time equivalent of the post, however the amount of occupational pension entitlement received may be affected because the accrual of pensionable service is reduced with the reduction in working hours. *For example if an individual has 20 years pensionable service and decided to reduce their hours from whole time to half time and they continue working for another 6 years. This would add an additional 3 years to their pensionable service, therefore their final pension entitlement would be calculated on the whole time equivalent salary of the post based on 23 years pensionable service.* Final pension payment may also be effected if the post no longer has special allowance attached to it.

For staff who have not contributed to the occupational pension scheme the wind down into part-time working will affect salary, although it will not be relevant for pension purposes.

b) Step Down.

Staff may change to a lower banded post following consultation with the Trust. Their pension is frozen at a higher rate and a new rate commenced.

c) Retire and resume working

Taking retirement and a pension does not mean individuals have to stop working completely. If staff retire they may be able to return to work in either full-time or part-time employment or for short periods within the year. Depending upon the conditions attached to retiring and resuming working, the earnings received usually will not have any effect on the pension payments received.

The conditions attached to this option are:

- People aged under 60 can not earn more through their pension payments and their post-retirement salary than their salary at retirement. Where this happens their pension will be reduced to bring total income down to required level.
- People cannot work 16 hours a week or more within the first calendar month of retirement; otherwise the pension will be suspended.

NB Following retirement, ex-employees wishing to resume work must be recruited to a new post in line with the Trust's Recruitment and Selection Policy and they will not have continuity of employment if their break in service is longer than 12 months.

d) Request to work beyond the retirement age of 65. Please refer to the above Policy Statement and section 5 for further explanation.

Further Advice

Each individual case may vary slightly and there are important procedural details to be observed. Before entering into any flexible retirement arrangement it is essential that managers and staff consult both the Pensions Manager, 08000181 990.

The Trust recommend that staff wishing to consider any of these options discuss at an early stage the implications with their line-manager and the Trust's Pension Officer.

4. Early Retirement

Options for retiring early

If a member of staff wishes to retire before the contractual age of 65, a number of options are available. The NHS Pension Scheme has been reviewed and there will be a new scheme from December 2007. However there will be different rules for current members and during the transitional period. At present all staff are eligible to apply for retirement from age 60 with no reduction in pension (except that the number of years worked will affect the amount of pension entitlement). Staff wishing to retire between the ages of 50 and 60 can do so, but with a voluntary actuarial reduction to their pension.

There are certain staff groups who, due to the nature of their work, are entitled to take early retirement on different terms to those outlined above. Female qualified nurses, midwives, physiotherapists, occupational health nurses and health visitors together with male or female mental health offices, employed before March 1995, can retire from age 55 with no reduction to their pension (except that the number of years worked will affect the amount of pension entitlement). Male qualified nurses, midwives, physiotherapists, occupational health nurses and health visitors can also retire at age 55 but benefits will only be based on membership from 17 May 1990. This status will remain for current members of the scheme but will not be available for those staff who join the new scheme at the end of 2007.

During this period of change it is important that employees refer to their retirement scheme in respect of 'retiring early'. Employees will need to pay particular attention to the scheme's terms and conditions and seek advice from the Pensions Officer.

a) Early retirement due to ill health (permanent incapacity)

Staff who become ill or permanently incapacitated to such an extent that they are unable to continue in their job may be eligible to retire on grounds of ill health. Any retirement under this category must be discussed fully with the line manager, HR, Occupational Health and the Trusts Pension Officer at an early stage. To qualify staff must have 2 years pensionable service and dependent on length of service and age at the time of retirement, there may be some enhancements to benefits payable.

b) Early retirement due to redundancy

Staff who are aged 50+ with at least 5 years service may be eligible to take early retirement with no reduction to their pension (except that the number of years worked will affect the amount of pension entitlement) if being made redundant. As the Trust is responsible for meeting the costs of redundancy benefits, managers must seek Directors approval prior to an employee's

contract being terminated on the grounds of redundancy. This option is not compulsory by the employer but must be approved by both the employee and the Trust.

c) Early retirement due to organisational change

This option is only available if it can be proved that the only other choice is to make a member of staff redundant. Retirement benefits in these circumstances can be taken by staff with at least 5 years service from age 50+ with enhancements, dependent on age and length of service. This option is not compulsory by the employer but must be approved by both the employee and the Trust.

d) Working beyond 65.

Some staff may wish to continue working beyond the Trust's retirement age. In these cases please refer to the 'Fair Procedure' section of this policy.

5. Fair Retirement Procedure

Every employee has a right to a fair retirement. A fair retirement is one that:

- Takes place on or after the default retirement age (or on or after the employer's normal retirement age) and
- Where the employer has given the employee written notice of the date of their intended retirement and told them about their right to request to continue working.

a) Procedure

i) Pre-Retirement Information

Managers should contact the Trust's Pensions Officer to notify them on pending retirements (no later than 6 months, no more than 12 months notice before the intended retirement date). Managers should also request from the Pensions Officer, information on how pension estimates can be obtained and what paperwork the employee will need to complete with regard to their pension.

The manager will need to follow the formal notification of actual date of retirement subject to the procedure as set out below.

Workforce Information

Managers will be provided with a list of staff approaching retirement age (i.e. in their 65th year) on a regular basis to assist them in this process.

ii) Notifying the Employee of Pending Retirement Date

The employee will need to be advised of their pending retirement date at least six months in advance but no more than twelve months of the intended date (the Trust's normal retirement age is 65). The line-manager will need to write to the employee and advise them accordingly as well as inform them of the

retirement procedure and their right to work beyond their normal retirement age should they wish to do so. Please see example letter in Appendix 1.

The employee can make their decision no later than 3 months before their notified date of retirement. If the employee writes to the manager within this time asking for the right to request to continue working beyond their intended date of retirement, the manager should hold a meeting with the employee.

The meeting with the employee should be held in accordance with the process outline below.

iii) The Meeting

On receiving a letter from the employee stating that they invoke the right to request to continue working beyond their intended date of retirement, the line-manager must meet the employee and confirm the meeting in writing as per the example letter in Appendix 2.

The employee when requesting to continue working beyond their normal retirement age can be accompanied to the meeting by either;

- A work colleague
- A Trade Union Representative

At this meeting the person accompanying the employee can;

- Address the meeting but not answer questions on behalf of the employee
- Confer with the employee during the meeting

The meeting must be held as soon as 'reasonable practicable' in order that the employee can be accompanied by his or her own chosen work colleague or Trade Union Representative.

The meeting is intended to provide the employee with an opportunity to discuss their reasons for extending their retirement date and for the line-manager to reasonably consider such a request. The line-manager may have suggested alternatives to the employee's initial request that can be considered and discussed further at this meeting. The manager cannot force a new date of retirement onto the employee and the employee has the right to suggest an alternative date if they wish. Ultimately the manager does not have to agree to any extension, however the manager should consider the benefits against Trust needs in reaching their decision.

After the meeting the line-manager must inform the employee in writing of their decision to either extend their retirement date or to retire the employee on their original date of retirement within 14 days of the meeting. The employee has a right to appeal the line-managers decision, or a decision on a new intended retirement date if it is shorter than the intended retirement proposed by the employee in the line-managers initial request. The line-manager can use the example letter in Appendix 3, which does not agree to extending the intended date of retirement, or, use the example letter in

Appendix 4 if the line-manager does agree to extend the intended date of retirement.

The employee can appeal against the line-managers decision and should do so by writing to the line-manager stating that they wish to appeal and do so within 14 days of receiving the outcome letter from the employer.

iv) The Appeal Meeting

On receiving a letter of appeal from the employee the line-manager must agree to meet with the employee and confirm the appeal meeting in writing as per example letter in Appendix 5 within 14 days of receipt.

This is the final opportunity for the employee to put their case before the line-manager. At the end of the meeting the line-manager may decide that whilst they cannot accept the employee's stated request, there may be a compromise solution. It is perfectly acceptable for the line-manager to propose alternative working patterns and retirement dates, other than those proposed by the employee, if the line-manager is persuaded by the employee's case not to be retired. The line-manager can also decide to stay with their original decision, as per the first meeting.

If the line-manager chooses to accept the employee's request, the line-manager should write to the employee and state that you have accepted their appeal and state the agreed employment pattern and when the intended retirement date will be. Line managers can use the example letter in appendix 4.

If the line-manager chooses to reject the appeal, again, the line-manager should write to the employee and confirm that you still wish to retire them and the date that the dismissal (date of retirement) is to take affect. The line-manager should use the example letter in appendix 3.

The line-manager must inform the employee if their decision within 14 days of the appeal meeting.

b) Post Procedure

The procedure for 'Notifying the Employee of Pending Retirement Date' and the process that accompanies it, will need to be applied every time there has been an agreement for the employee to continue working beyond their intended retirement date.

For example;

Employee had an intended date of retirement of 31st January 2007. After completing the above process both the employee and line-manager agree to extend employment to 31st January 2008. Therefore, the line-manager would need to begin the above process again no later than 6 months, no more than

12 months notice before the new intended retirement date (31st January 2008).

6. Pre-retirement seminars

These Seminars are available through Anglia Support Partnership. Staff are encouraged to take this opportunity and are entitled to paid Study leave to attend a retirement course during the five years preceding their retirement date. The employee's department will be invoiced for the cost of such seminars and therefore agreement to attend needs to be reached by the employee and their line manager. The purposes of these seminars are to enable staff to plan their retirement and to seek information about a range of issues. (The topics covered include health and welfare, personal adjustment and financial advice).

7. Winter registers

Should staff retire from the Trust then departments can develop a list of retired staff within their team, who they can keep in touch with and ask if they wish to add their name to the list and if they are available to work during peak periods, such as "winter".

Recent leavers may also be interested in being recruited to the Trust NHS Professionals/Bank Scheme. The main controlling factor would be to ensure eligibility to practice in professions that require registration be maintained.

8. Staff Loyalty Awards

Please refer to the policy for 'Staff Loyalty'.

9. Policy Review Date

This procedure will be reviewed by the Trust Joint Consultative and Negotiating Partnership at 2 yearly intervals, unless an earlier review is required e.g. due to changes in legislation, NHS directions or in the Trust.

Human Resources
February 2007

Appendix 1
Organisations
Address here

Direct Dial No line-managers number here
Email: line-managers email here
Our Ref: Notific. Retirement 1
Date:

Employee address here

Dear 'Employee name here'

I am writing to inform you that your retirement date will be (insert date here) and that you have a right to request not to be retired.

I will give careful consideration to any request you may make to work beyond this date and will inform you if I cannot let you. I am not required by law to give a reason.

Your request not to be retired must be in writing and returned (insert name here) no later than three months before the date stated in paragraph one. Failure to do so will mean that you lose your statutory right to have your request considered and you will be retired on the retirement date above.

If you do request the right not to be retired, it would be helpful if you could propose how long you would wish your employment to continue.

Should you have any queries in relation to this letter, please contact me on the above telephone number or email address.

Yours sincerely

Line-managers name

CC.

Appendix 2

Organisations
Address here

Direct Dial No line-managers number here
Email: line-managers email here
Our Ref: Notific. Retirement 1
Date:

Employee address here

Dear 'Employee name here'

I am writing to you that after receiving your request not to be retired that there will be a meeting to discuss your request.

The meeting will be held on (insert date here) at (insert time here), in (insert room and location here).

You have a right to be accompanied at the meeting by a fellow worker or a trade union representative. Your companion may be someone that you have chosen, but they must work for (insert organisational name here). Your companion can address the meeting but not answer questions on your behalf although you may confer with your companion during the meeting.

After the meeting if it is decided to continue your employment beyond the intended retirement date of (insert date here) you will receive written notification reflecting these agreed changes to your contract.

If no agreement is reached you will receive further notification confirming your intended retirement date and informing you of your right to appeal.

Should you have any queries in relation to this letter, please contact me on the above telephone number or email address.

Yours sincerely

Line-managers name

CC.

Appendix 3
Organisations
Address here

Direct Dial No line-managers number here
Email: line-managers email here
Our Ref: Notific. Retirement 1
Date:

Employee address here

Dear 'Employee name here'

I am writing to inform you that after our appeal /meeting (***delete 'appeal' if not appropriate***) held on (insert date here) to discuss your request not to be retired, that (insert organisations name here) still intends to retire you on (insert intended retirement date here).

(Delete paragraph if this is being used as the outcome letter for the appeal meeting)

You have a right to appeal this decision. If you wish to appeal you must inform (insert name here) in writing as soon as reasonable. Failure to do so may mean that you lose the right to an appeal meeting and (insert organisations name here) may consider your appeal without holding a meeting but they will consider any previous representations that you have made.

Should you have any queries in relation to this letter, please contact me on the above telephone number or email address.

Yours sincerely

Line-managers name

CC.

Appendix 4
Organisations
Address here

Direct Dial No line-managers number here
Email: line-managers email here
Our Ref: Notific. Retirement 1
Date:

Employee address here

Dear 'Employee name here'

I am writing to inform you that following our meeting to consider your request not to be retired, (organisations name here) has agreed that your new intended retirement date shall be (insert date here).

As agreed at the appeal/meeting (***delete 'appeal' if not appropriate***) to discuss your request not to be retired, your new working pattern will be as follows. (***Delete this paragraph if no new working pattern is agreed***).

Should you have any queries in relation to this letter, please contact me on the above telephone number or email address.

Yours sincerely

Line-managers name

CC.

Appendix 5

Direct Dial No managers telephone number here
Email: @ managers email address here
Our Ref:
Date:

**Organisations
address here**

Employees address here

Dear 'Employee name here'

Thank you for your appeal dated (insert date of employee's appeal) against my decision to refuse your request to continue working after the intended date of your retirement, which is (insert intended retirement date here).

I am writing to invite you to attend an appeal meeting to discuss your appeal in accordance with the statutory retirement procedure. The appeal meeting will take place on (insert date) at (insert time) (*in/at*) (insert place).

Your appeal will be discussed with (*insert name(s) and/or job title(s) of person(s) as appropriate*).

You may be accompanied by a colleague or your trade union representative.

If you have any queries concerning this letter, please contact me on the above telephone number.

Yours sincerely

Line-managers name
Line-managers job title

cc.

Fair Retirement Flow Chart

