



# Workforce

## **Retirement Policy: guide for managers**

This guide will help managers understand the process to be followed when employees wish to:

- make an application to retire
- access a phased retirement
- retire and return

The following guide forms part of the standard for workforce policies. These policies apply to all eligible staff within NHS Scotland, regardless of the board they are employed by. The guide covers:

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# **What is the purpose of the Retirement Policy?**

The Retirement Policy will support employees to transition from work to retirement. It will also support employees who wish to retire and return to employment.

The policy covers 4 areas:

- standard retirement process
- phased retirement arrangements
- retire and return applications
- partial retirement

You should be aware that there is no requirement for employees to retire at the normal retirement age.

## **Who is covered by this policy?**

The Retirement Policy applies to all employees. Bank staff should follow the standard process outlined in the policy for retirement. However, they are not eligible for phased retirement or retire and return. The Retirement Policy does not apply to agency staff.

## **Initial early conversation**

An employee should indicate their intention to retire with 6 months' notice. Early conversations about retirement are therefore important. If the employee is accessing an NHS pension, you should ask them to submit their form as early as possible following the discussion. This is to make sure that Payroll can complete their section of the form and send it to SPPA 4 months in advance of the date of retirement.

There may be occasions when 6 months' notice of retirement is not possible in which case you should be flexible and make every effort to support the employee to achieve their desired retirement date. In these situations, you should advise the employee that there may be implications for the payment of their pension.

When an employee has indicated their intention to retire, you should have a conversation with them.

The conversation is an opportunity to explore the various options related to retirement, including timing, phased retirement, the right to request to return, and partial retirement.

Employees in the NHS pension scheme should be encouraged to discuss the options available to them directly with the Scottish Public Pensions Agency (SPPA).

## **Formal notification of retirement with no request to return**

When an employee notifies you of their decision to retire, you should make sure they have submitted it in writing.

If the employee is in the NHS pension scheme, they must complete a form if they intend to access their pension benefits. They should contact the SPPA for advice.

You should help the employee if they need support to access the appropriate [retirement form](#). There are 2 different forms:

- Retirement application - NHS:RET - general form which applies to most employees
- Retirement application (Practitioners only) - PRAC:RET

Both forms can be accessed in the [NHS forms section of the SPPA website](#).

Pension and termination forms should be submitted to the appropriate departments with enough time to allow the pension to be paid on time. This may involve liaising with payroll and HR in line with local procedures.

The SPPA must have the relevant completed form at least 4 months before the retiral date.

If the employee is making an application to retire, the conversation should include these topics:

- when they wish to retire
- planning outstanding annual leave to ensure it is all taken before the retirement date
- agreement on the specifics of the employee's phased retirement plan if requested

Discussions should also include accessing pre-retirement courses. Time off and funding should be available to support this. You should also make the employee aware of the [NHS Retirement Fellowship](#).

Not all employees will be a member of the NHS pension scheme. However, the processing of the termination form and access to retirement courses will still apply.

## Phased retirement

Phased retirement is an entitlement of NHSScotland employment. It is an important part of retirement and supports employees in adjusting from employment to retirement or retirement and return.

Employees should provide at least 6 months' notice of their intention to access phased retirement. This is to allow you to plan for any potential cover requirements.

There may be occasions where this level of notice is not possible. You should be flexible and make every effort to support a phased retirement.

Phased retirement offers employees a gradual reduction in working days. During the phased period, the staff member will continue to receive payment as if at work. This will include any enhancements or on-call payments they normally receive. To ensure continuity of service, you must agree clear arrangements for the reduction in working days and tasks that will be undertaken with the employee in advance.

Working additional hours during the phased retiral period is not in keeping with the intent of the policy.

A phased retiral is only available once. The employee can take the period of phased retirement in the lead up to their retirement date. Otherwise, it can form part of their retire and return agreement.

Phased retirement allows the employee to reduce their working week by the following amount:

- third month before retiral – 20% of contracted hours
- second month before retiral – 40% of contracted hours
- last month before retiral – 60% of contracted hours

Examples of how this might work are outlined below:

## **Standard office hours**

A full-time employee who works 5 days a week at 7.4 hours per shift is retiring on 31 March.

January - the employee will reduce their contracted hours by 20%. 20% of 37 hours is 7.4 hours. The employee will, therefore, work 4 days per week in January.

February - the employee will reduce their contracted hours by 40%. 40% of 37 hours is 14.8 hours. The employee will, therefore, work 3 days per week in February.

March - the employee will reduce their contracted hours by 60%. 60% of 37 hours is 22.2 hours. The employee will, therefore, work 2 days per week in March.

## **Part-time hours**

A part-time employee who works 3 days a week at 6 hours per shift is retiring on 31 August. The employee's contracted hours are 18 per week.

June - the employee will reduce their contracted hours by 20%. 20% of 18 hours is 3.6 hours. The employee will, therefore, work 2 days of 6 hours and one day of 2.4 hours per week in June.

July - the employee will reduce their contracted hours by 40%. 40% of 18 hours is 7.2 hours. The employee will, therefore, work one day of 6 hours and one day of 4.8 hours per week in July.

August - the employee will reduce their contracted hours by 60%. 60% of 18 hours is 10.8 hours. The employee will, therefore, work one day of 6 hours and one day of 1.2 hours per week in August.

Alternatively, the reduction could be over 2 or 4 weeks, using the percentage of 36 or 72 hours. This would allow fuller days to be taken rather than some part days. Otherwise, the same number of days could be worked but fewer hours, for example, 4.8, 3.6, and then 2.4 for the final month.

## **Long shift arrangements**

A full-time employee who works long shifts of 11.5 hours per shift is retiring on 31 December. The employee's contracted hours are 37 per week, but the number of shifts will vary. A total of 150 hours comprised of 13 shifts which are worked over 4 weeks.

October - the employee will reduce their contracted hours by 20%. For reference, 20% of 150 hours is 30 hours. The employee will, therefore, work 10 shifts of 11.5 hours and one shift of 5 hours over the 4 weeks in October.

November - the employee will reduce their contracted hours by 40%. For reference, 40% of 150 hours is 60 hours. The employee will, therefore, work 7 shifts of 11.5 hours and one shift of 9.5 hours over the 4 weeks in November.

December - the employee will reduce their contracted hours by 60%. For reference, 60% of 150 hours is 90 hours. The employee will, therefore, work 5 shifts of 11.5 hours and one shift of 2.5 hours over the 4 weeks in December.

Alternatively, the reduction could be to the hours of each shift – 9.2 in October, 6.9 in November and 4.6 in December.

Employees should aim to take all their annual leave before their phased retirement starts. If the employee has any leave outstanding, they will only be required to take leave for the days they should be working. For example, an employee who is a 5-day worker on a 40% reduction would only need to take 3 days of annual leave for a week.

Any unused annual leave will not be paid in lieu. This is because any additional payment would have pension and retirement date implications. Using annual leave during a phased retirement to bring forward their last working day is not permitted.

As a manager, you must make sure the phased retirement days are entered into all appropriate systems. In SSTS, this is entered as Special Leave – Phased Retirement.

## **Retire and return**

The retire and return process may be beneficial to employees for financial or social reasons. It also supports workforce supply issues, retention, and sharing of specialist knowledge and skills. The intent

behind this option is to have a simple, consistent approach that enables flexibility around returning to work.

An employee has no automatic right to return to work following their retirement. However, if a return can be facilitated, there is an accelerated route to follow, which can be mutually beneficial.

## **Receiving a request to retire and return**

When an employee requests to retire and return, you should make sure the employee has completed the [Retire and return application form](#).

They also need to give you written notification of resignation from their current post.

The employee must state on the form on what basis they would like to retire and return. The options are as follows:

- return to their current post
- return to another post within the same job family
- apply for another post within a different job family
- retire and undertake shifts on the staff bank

In most circumstances, employees will request to retire and return part-time. However, employees can request to return full-time. Employees accessing their pension will need to make sure they understand the implications of returning to work.

You should encourage the employee to discuss the implications of their retirement plans with the SPPA. Further information is available on [returning to work after accessing a pension](#).

You should inform the employee that a new contract will be issued, and any previous entitlement to protection will end. All annual leave from the previous contract needs to be taken prior to the retiral date, or it will be lost. You should also make your employee aware they can, on returning, re-join the 2015 Pension Scheme.

The process for medical and dental staff wishing to retire and return has some restrictions due to recruitment regulations. If the retiree wishes to return on a permanent basis, their appointment would need to be made in line with these regulations. Alternatively, they could return on a locum basis. If the employee returns on a locum basis, they will not be eligible for discretionary points.



## Considering a retire and return request

An employee's request to retire and return should be supported where possible. You should only refuse a request for sound service or organisational reasons.

When deciding on the outcome of an application to retire and return, you need to consider this fairly and objectively. You should make sure that you consider:

- each request on its own merits and that requests are not automatically approved or declined
- the needs of the post and the service
- current and future workforce requirements
- the employee's skills, knowledge, and experience for the post they wish to return to
- whether the appointment represents value for money - could the budget be better used
- whether the appointment meets a service need
- any planned service redesign and the timing of these
- the availability of posts to support redeployment
- the minimum number of hours or on-call requirements

It is particularly important to consider if there are individuals on redeployment covered by the [Equality Act 2010](#). The post may be a suitable alternative for them. They should be considered before agreeing to any retire and return request. For example, the post may be a suitable alternative for an employee with a disability. In this scenario, a disabled employee would take priority. Before offering a post, a discussion should take place with the appropriate redeployment coordinator.

## Authorisation of a retire and return request

Only a manager with sufficient seniority to understand broader workforce implications and plans can authorise the application to retire and return.

If the request to retire and return is authorised, you must make it clear to the employee:

- their original post will terminate
- a new contract will be issued
- any protection linked to the employee's original post will cease

If there is no intention to return within one month of retirement, a decision needs to be made whether the service can support the request. The length of time between the employee retiring and returning to post may dictate that new pre-employment checks are required.

In some instances, it may be that you are happy to approve the request, but need to:

- [identify a job share partner](#)
- explore the availability of vacancies in the same job family

In these scenarios, it is important to respond promptly to the employee or provide regular updates.

You should also complete all appropriate contractual documentation and update appropriate systems. This will make sure the employee's old post is terminated and the new contract commences.

## **Refusal of a retire and return request**

An employee's request to retire and return should be supported where possible. If their specific request is not agreed to after full consideration, you should explore all options including:

- job share
- alternative posts
- bank contract
- employee applying for advertised posts

If you refuse the employee's request, you must confirm your decision in writing. Please use the relevant section of the [Retire and return application form](#). You must provide your rationale for not being able to support the request. It is also helpful to detail what alternatives you considered.

Decisions should be communicated as promptly as possible in writing. However, it may also be helpful to relay this decision and rationale in person. You should also make sure support is offered, as the outcome may be disappointing for the employee.

## **Appeal process**

The employee has a right to appeal the decision within 14 calendar days of receiving the outcome. They must provide the reason for their appeal.

It would normally be your manager who will hear the appeal, supported by an HR adviser who has not been involved in the process to date. They will inform the employee that their appeal has been received.

The appeal panel will consider:

- the reasons you gave for refusing the request
- any alternative options explored
- other points discussed and documented in the outcome letter

The Chair will make sure you and the employee are advised in writing of the arrangements for the hearing no later than 14 calendar days before the hearing date.

As the manager, you must provide a written statement detailing your considerations and decision. If the employee has not done so, they should provide their case document. These documents should be submitted no later than 7 calendar days before the appeal hearing. They will be shared with all other parties.

## **Outcome**

Following the hearing, the Chair will write to all parties with the outcome of the appeal hearing. This letter will be issued within 7 calendar days following the appeal hearing.

If the employee's appeal is successful, the outcome letter will specify the agreed changes and the date these will take effect.

Where the appeal is unsuccessful, the outcome letter will provide clear and detailed explanation of the reasons for the decision. The outcome of the appeal will be final.

As the manager, you will be responsible for completing the appropriate paperwork to instruct any changes, including termination documents. You must also make sure the relevant HR systems are updated.

# Partial retirement - accessing your pension while remaining in work

Employees could consider partial retirement as an alternative to retire and return. Partial retirement allows members of the NHS pension scheme to claim some or all of their pension without:

- leaving their job
- having a break in service

Further information on partial retirement is available from [SPPA](#).

To qualify, the employee will need to reduce their pensionable pay by at least 10% for the first 12 months. This could impact on service provision as some may wish to reduce their contracted hours by more than 10%. Your staff member should complete the temporary reduced working hours section on the [Flexible working request form](#).

If agreed, you must sign the relevant SPPA paperwork once the employee has completed it. To reduce their hours, you will need to process a change using your local system. Employees taking partial retirement have no right to a phased retiral as they are not leaving their post.

## Useful links

Additional resources related to this policy are listed as follows:

- [The Ageing Workforce – A Resource for Managers | Scottish Terms and Conditions Committee](#)
- [Contact us | SPPA](#)
- [Going back to work | SPPA](#)