



Workforce

Retirement Policy

Aim

To provide a framework to support employees:

- in a smooth transition from work to retirement
- who wish to retire and return to employment

Scope

This policy applies to all employees.

The retire and return route is not available to staff who access their pension because of ill health or premature retirement on redundancy or in the interests of service efficiency. [Find out more about premature retirement.](#)

Employers should manage the identification of other possible employment for staff in these categories using the appropriate policy. Please refer to the following policies:

- [Attendance Policy](#)
- [Capability Policy](#)
- NHS Board's Organisational Change Policy

This policy complies with current legislation and meets the aims of the [Public Sector Equality Duty](#) of the [Equality Act 2010](#).

Definitions

A **job family** is a high-level grouping of roles with a common purpose or similar responsibilities, such as nursing and midwifery or support services.

Partial retirement is accessing an NHS pension when in work without having to resign.

Phased retirement is a planned, agreed reduction of working time in the period leading up to the date when an individual leaves to potentially access their pension.

Reckonable service is periods of previous employment with NHS employers. It is used to calculate the redundancy pay, maternity pay, sick pay, and annual leave an employee is entitled to in line with their terms and conditions of employment.

Retire and return is an accelerated route to return to work while accessing a pension at the same time.

Scottish Public Pensions Agency (SPPA) is the government body that manages pensions for NHSScotland employees.

Roles and responsibilities

There is a range of standard expectations which underpin all policies. [Read more about standard roles and responsibilities](#). In addition, the following specific responsibilities apply to this policy.

Manager

The manager should follow local processes to:

- support the employee through the application process for retirement
- signpost the employee to the SPPA website
- process all required documents quickly to make sure there is no delay in pension payments
- provide paid time off and funding to support the employee's participation in retirement preparation courses
- make arrangements for an employee who wants to take phased retirement
- consider all retire and return applications fairly and consistently, and make sure an employee's request is not unreasonably refused
- make sure retire and return requests receive a prompt response, and if declined, provide reasons for refusal
- obtain HR advice on the implications of any breaks in service
- complete all appropriate contractual documentation
- update appropriate systems

Employee

The employee should:

- plan for applying for their pension
- contact the SPPA or other pension provider with sufficient time to obtain information about their personal pension situation
- apply for phased retirement within the timescale stated in the policy
- check any breaks in service required if returning to work and any restriction on hours of work once re-employed so their pension is not affected

Procedure

Employees considering retirement should notify their manager at least 6 months before their planned retirement date, particularly if they wish to access phased retirement. They should also notify their manager if they are interested in retire and return.

To allow payment of an NHS pension on time, the employee must complete the following documents:

- NHS pension application
- formal notification of termination of employment

Employees must submit the completed documents to their manager no later than 4 months before retirement.

To support employees in their transition to retirement, they will have the opportunity to attend a pre-retirement course and access phased retirement.

Phased retirement

This policy allows for a gradual voluntary reduction in working hours 3 months before the employee's retirement date. It provides time to adjust to working fewer hours and prepare for retirement. The employee will be entitled 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

Employees will receive their salary during this time as if they are at work on their regular shift pattern, including on-call payments. They will also retain their annual leave entitlement at their contracted hours during the phased retirement.

The policy aims to support employees in the transition to retirement. Using annual leave during a phased retirement to bring forward their last working day will not usually be allowed. Employees should take most of their annual leave before their phased retirement starts to support rest and recuperation.

Employees on a phased retirement cannot undertake Bank shifts during their regular shift pattern.

Employees are entitled to only one period of phased retirement. Employees can take their period of phased retirement in the lead up to their retirement date. Otherwise, it can form part of their retire and return agreement, if applicable.

Employees should advise their manager of their intention to access a phased retirement at least 6 months before their retirement date to qualify for it. The manager and the employee should then discuss and agree the employee's working arrangements during the phased retirement period. For example, what days will the employee work, and what aspects of their post will they continue with during their phased retirement.

The work carried out by the employee must be based on the needs of the service. The organisation may apply this policy if the employee gives less than 6 months' notice, and it can arrange cover.

Retire and return

There is no right for an employee to return to work automatically following their retirement. However, this policy offers an accelerated route to support a return to work, where appropriate, potentially benefiting both employer and employee.

The employee should complete a [Retire and return application form](#). The organisation will consider it at the same time as the employee applies for their pension. The manager and employee should then discuss and agree options for a return to work. A manager with sufficient seniority to understand broader workforce implications and plans must authorise the

application. The completed retire and return application form should be held in the employee's file.

Retire and return should be agreed prior to the retiral date. Requests after retirement should follow the normal recruitment process.

Return to the existing post

When considering an application, the manager needs to assess the needs of the post and the service. This should include potential barriers such as:

- Any planned service redesign.
- The availability of posts to support redeployment. [Refer to the Redeployment Policy](#)
- The need for the post to be full-time or the requirement for on-call.

The employer may explore other options if they cannot consider a return to the existing post. For example, they may consider the returner for posts within the same job family.

Alternatively, the returner can apply for advertised posts on these websites through open competition:

- [NHSScotland Recruitment](#)
- [GP Jobs](#)
- [Practice Jobs](#)

Return to a different band or role

A returner can apply for a post in the same job family at a different grade or elsewhere in the Board. For example, a retired physiotherapy team leader returning to a band 5 physiotherapist post.

The employee should approach their manager to see if there is a suitable vacancy to match their skills and experience. Unless there are statutory or redeployment requirements to consider other employees first, their application for the vacancy should be considered before others. Re-employment into the same job family will not require the usual recruitment process for appointment.

Re-employment to a different job family, for example, from nursing to administrative services, must be made through normal recruitment processes. The employer will appoint the individual on a substantive or

fixed-term contract, depending on the advertised post. Starting salary will be in line with terms and conditions.

Return to a bank contract

A returner may wish for more flexibility in their working pattern. Therefore, continuing with an existing bank contract or returning to a contract for service with the staff bank may be considered.

Contractual issues

The employee needs to resign from their original NHS contract of employment so they can be terminated from payroll. If the individual intends to access their NHS pension, they must complete the relevant paperwork at least 4 months before their retirement date.

On re-employment, the employer will offer a new contract. This contract will normally be made on a permanent basis unless the employer intended to advertise it as fixed-term had the returner not filled it.

Under employment law, the employee will break their continuity of employment if there is more than one week between retirement and return. A week is measured from Sunday to Saturday. The employee will retain their continuity of employment if there is a break of less than one week between retirement and return. If the employee breaks their continuity of employment, it will affect their:

- statutory entitlements
- ability to raise specific claims at an Employment Tribunal

NHS Terms and Conditions cover NHS entitlements, such as annual leave and sick pay. They set out the maximum break allowed before the employee's previous NHS reckonable service is discounted. Each entitlement, such as sick pay, annual leave, or redundancy, has maximum break provisions.

A retire and returner will be re-employed on the most recent pay point on their basic salary scale if returning to their current, or an equivalent, post. The employee's pay rate will not include any of the following:

- protection of earnings applicable to their previous role
- allowances unless they relate to the new role

The employee will be placed on a point on the pay scale that reflects their years of experience if returning to a lower-graded post. In most cases, it will be the top of the new pay scale in line with the terms and conditions. [Read Directors Letter DL\(2021\)47](#).

Employers should work with medical and dental consultants to agree the most appropriate way for them to be re-employed in the service.

Associate specialists will be re-employed on a locum consultant basis.

Executive directors, who are appointed members of an NHS board, may retire and return to a different post in the same job family. Returning to their previous executive director post part-time will require consideration in line with the Ministerial appointments process.

A retire and returner under state pension age will be automatically enrolled into the pension scheme unless they opt out within a month of return.

Appeal process

The employee has a right to appeal within 14 calendar days of receiving a written outcome of their request for retire and return. When exercising this right, the employee must identify the reason for their appeal.

The appeal panel will be chaired by the next level of management and supported by an HR adviser who has not previously been involved in the process.

The appeal panel Chair will inform all parties of the arrangements for the hearing in writing no later than 14 calendar days before the hearing.

The process for the appeal should be managed in line with the [Formal hearing guide](#).

Outcome

Following the appeal hearing, the Chair will write to all relevant parties within 7 calendar days to confirm the outcome. The letter should include the rationale behind any decision regarding the employee's grounds for appeal.

The outcome of the appeal will be final for this application.

Partial retirement

Partial retirement may be considered as an alternative to retire and return. It allows employees who are members of the NHS pension scheme to claim some or all of their pension without:

- leaving their job
- having a break in service

As this may require a temporary reduction in hours, an application should be made under the [Flexible Work Pattern Policy](#).

[Find out more about partial retirement.](#)