

Flexible Retirement

Minimum Standards

NHS Wales recognises the need to retain the embodied investment in knowledge, skills and experience in staff approaching retirement which it is vital to maintain both now and in the future. Flexible retirement options are key in achieving this and should be considered favourably unless there is a clear business reason not to pursue this option.

NHS Wales recognises that employees may wish to 'phase' their retirement, enabling them to be flexible about

- the age at which they retire;
- the nature and pattern of work in the lead up to final retirement.

The flexible retirement options that may be available to individuals depend on which Pension Scheme(s) they are in. They can find out which Pension Scheme(s) they are in through their Total Reward Statement. From April 2015 employees may have membership in more than one part of the scheme so they will need to ensure that if they wish to take up flexible retirement, the option they choose to apply for is applicable to their pension membership.

What flexibilities are available?

	1995 Scheme	2008 Scheme	2015 Scheme
Step Down - Staff can step down to a different role, for example, to reduce the level of responsibility while remaining in NHS employment.	√	√	√
Wind Down - Staff can wind down to retirement by remaining in their current post but reduce the number of hours or days they work.	√	√	√
Retire and return - Members can request to retire, claim their pension benefits and then return to NHS employment. <small>(*members of the 1995 scheme will not be eligible to re-join the NHS Pension scheme on their return to employment)</small>	√*	√	√
Draw down - Members can take part of their pension benefits and continue in NHS employment.	X	√	√
Late retirement enhancement - Members can retire later than their normal pension age and have their pension benefits increased.	X	√	√

Early retirement reduction buy out (ERRBO) - Members or employers can pay additional contributions to buy out the reduction applied to the member's pension if they retire before their normal pension age.	x	x	√
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Within NHS Wales the most frequently used retirement flexibility is the option to Retire and Return where an employee may decide to retire to access their pension and then apply to return to the workplace. The following minimum standards should be adhered to when developing organisational policy in this area: -

- a) Ensure that managers and individuals discuss any flexibilities around retirement as early as possible and reach agreement on how they will be applied on an individual basis. These discussions are encouraged and could be mutually beneficial to both the organisation and individual and will not impact negatively on the individual's career progression;
- b) Support for the retention of skills and experience through enabling individuals to "return" to employment with NHS Wales following retirement, identifying the benefits to both the individual and the organisation;
- c) Ensure that whilst the development and reshaping of services are important and the links with the Organisational Change policy should be considered, applications to retire and return should be scrutinised on their own merits and not used as an opportunity to redesign services without following due process;
- d) Ensure equally accessible to all regardless of pay band/grade;
- e) Establish a fair, transparent and equitable process which enables appointments to "different" roles with clarity on the duties to be undertaken on return;
- f) Set out a clear mechanism for individuals to discuss their options with their manager;
- g) Ensure individuals understand the implications and recommend that they take professional advice, including from the NHS Pensions Agency. Individuals should obtain their own pension and financial advice to inform their own personal situation;
- h) Provide clarity regarding adherence to the NHS Pension Scheme arrangements in order to comply with any break between an employee's retirement date and any return to work;

- i) Clarify the contractual arrangements and the arrangements for returning including any agreed breaks;
- j) While returning to work after retirement is not an automatic entitlement, organisations/managers are encouraged to support applications wherever possible. Individuals should be able to return on the same basis as they were pre-retirement (unless they choose to apply for a lower banded post) with no requirement for this to be reviewed annually or for fixed term contracts to be used unless good business reasons determine that this is necessary. Where these business reasons exist, they should be given to the individuals in writing to ensure transparency around the decision making process. These determinations should be based primarily on the role but can also consider the individual or their individual circumstances;
- k) Provide a clear written rationale in the unlikely event that an application is declined.