

POLICY DOCUMENT

Policy on Partial Retirement

Policy Review Schedule

Date first Approved: April 2024

Last Approved by the Board: 24 September 2024

Date of Next Review:

Policy Owner: **Senior Manager Professional Support**

Amendment Overview

| Version | Date | Pages | Comments | Actioned |
|----------|------|-------|----------|-----------------|
| 2024 – 1 | | | | Roisin Campbell |

Contents

| | |
|--|----|
| 1. Purpose of Policy | 4 |
| 2. What is Partial Retirement | 4 |
| 3. Eligibility - Discussing Retirement Plans - Making an Application | 5 |
| 3.1. Discussing Retirement Plans | 5 |
| 3.2. Reshaping of Roles | 6 |
| 3.3. Application Process | 6 |
| 4. Impact on terms and conditions of service | 7 |
| 5. Important Considerations | 8 |
| 6. Frequently asked Questions | 9 |
| 7. Partial Retirement Application Form | 12 |

1. Purpose of Policy

- 1.1. Changes to the HSC Pension Scheme mean that the normal retirement age (NRA) in the 2015 section of the Scheme is now equal to the state pension. This means that many more of our workforce will have to work longer before they can access their full pension and whilst this presents opportunities, it is recognised that this will also be a challenge for individuals and organisations across health and social care (HSC). One of the changes is that the 2008 and the 2015 HSC Pension Scheme affords members the ability to 'partially retire'. This is not available to members of the 1995 scheme.
- 1.2. As employers we cannot underestimate the impact working longer will have on our employees in terms of their physical and mental health and wellbeing, particularly those employees working in frontline and physically demanding roles. In providing the ability to partially retire, and with the potential to 'reshape' roles, it is expected that this Policy will encourage pro-active and live discussions between individuals and their employers which seek to support the transition from employment to retirement.
- 1.3. The primary purpose of this Policy is to outline how HSCNI intends to support those employees to remain in work for longer, working productively and safely, whilst accessing some of their HSC pension benefits through 'Partial Retirement' and preparing for final retirement from the service.
- 1.4. Partial Retirement is one way in which employees can work flexibly within HSC - there are a range of different flexible working and flexible retirement options available across HSC organisations which employees should consider before requesting changes to their employment.

2. What is Partial Retirement

- 2.1. Partial retirement allows employees to gradually move from work to retirement. Members of the 2008 and 2015 schemes can apply to partially retire from the service and receive some of their HSC Pension benefits while continuing to work within the HSC. Partial retirement will also apply to 1995-2015 transitional pension scheme members but it will only apply to the 2015 scheme element of their benefits. It should be noted that partial retirement is not available to members of the 1995 scheme.
- 2.2. Employees can reduce their annual pensionable earnings by at least 10% for at least 12 months and apply for some of their pension benefits. This means employees can have a combination of earnings and HSC pension benefits for a transitional period

working part-time before they finally retire. During the transitional period they can build up further pension benefits.

- 2.3. Partial retirement is only available to members of the 2008, 2015 and 1995-2015 transitional HSC Pension Scheme members. Protected members of the 1995 HSC Pension Scheme who are not eligible for partial retirement may wish to explore whether there are other flexible retirement options available in their HSC organisation.
- 2.4. Employees who consider flexible retirement options should carefully consider their options and seek independent financial advice as necessary, before making any decision which could affect their pension position. Employees should ensure they read the HSC Pension scheme guide and may wish to liaise directly with the HSC Pension Service in relation to obtaining information on their entitlements and benefits. Further information can be found on the HSC Pension website which can be accessed by clicking [here](#). It is important that you read this information to help you make an informed decision.

3. Eligibility - Discussing Retirement Plans - Making an Application

Below sets out the specific criteria (in accordance with pension regulations) that members of the 2008, 2015 and 1995/2015 transitional HSC Pension Scheme must meet in order to make an application for partial retirement;

- Partial Retirement is available to current members of the 2008, 2015 and 1995-2015 transitional sections of the HSC Pension Scheme.
- An employee must have reached the minimum retirement age of 55 and have at least two years pensionable service.
- An employee's manager must have agreed a reduction in hours or a change to their working pattern that would result in at least a 10% reduction in their annual pensionable earnings for at least 12 months.

3.1. Discussing Retirement Plans

- 3.1.1. Employees and Managers should regularly and at least annually discuss retirement plans where appropriate as part of formal performance review processes and service planning. Early and constructive two way discussions about intentions are essential to ensure a balance is struck between supporting employees to work longer whilst continuing to deliver safe and effective care and services to patients and clients.

- 3.1.2. Whilst an employee may be eligible to apply, partial retirement requires managerial approval based on current and future service needs. In discussing retirement plans Managers and staff must consider the impact this will have on the service and in doing so discuss and record in full the intentions of the employee including whether or not there is a clear indication of the date of final retirement from the service. Reasons why a plan is accepted/rejected must be recorded along with proposals to fill the gap.

3.2. Reshaping of Roles

- 3.2.1. To support and facilitate partial retirement it may be beneficial to 'reshape' the role the employee currently undertakes. For example, it may be the case that an employee wishes to partially retire and reduce his/her working hours by 40% in an area where there are significant skills shortages. Rather than reject the application it may be prudent to explore a changing role as part of the retirement plan so that the individual nearing retirement focusses on mentoring and coaching the next generation. Consideration should be given to changing/reshaping tasks where appropriate as long as they remain within the substantive banding at which the employee is paid and within overall service budgets. In all cases early and detailed discussions should take place and any decisions recorded as part of the application process. It is expected that for most staff partial retirement will have no impact on their actual role and reshaping may not be necessary.
- 3.2.2. It should be noted that the partial retirement plan agreed for one individual does not mean that a similar plan must be agreed for another. Decisions will be taken based on the merit of each case at a point in time and in consideration of the timescales of overall final retirement plans of individuals concerned.

3.3. Application Process

Where an employee is considering applying for partial retirement an early conversation with the appropriate line manager is essential. An employee should complete the application form for partial retirement which is attached to this policy and discuss it with their line manager so both parties can explore the desired request and how it can be accommodated. This initial meeting should take place within 28 days of receipt of the application form.

Following the meeting the line manager should consider the request taking into account business and service needs, and then advise the employee of the outcome in writing within 14 days of the meeting.

Whilst the purpose of this Policy is to support staff who wish to work longer, it is recognised that there will be circumstances when an application cannot be approved. Managers must carefully consider their reasons for rejecting an application. Reasons

why an application may not be approved at a particular time may include but are not limited to the following:-

- Detrimental effect on ability to meet patient/client/service demands
- Inability to re-organise work or increase hours among existing staff
- Inability to recruit additional staff
- Detrimental impact on quality
- Skills shortage – hard to fill post
- Planned structural changes
- Financial impact

If the application has not been approved the reasons for the rejection should be detailed within the written outcome, which should be issued 14 days after the meeting, and the employee should be made aware of their right of appeal which will be carried out under Stage 2 of the organisation's Grievance procedure.

Questions 5 and 12 of the FAQs section below sets out the practical arrangements that should be followed.

4. Impact on terms and conditions of service

- 4.1. Employees who partially retire will continue to be employed on current terms and conditions of service and rates of pay (pro rata).
- 4.2. Where employees are required to work on-call or are paid for unsocial hours enhancements for working in the evenings, weekends or public holidays, caution must be taken by employees to ensure earnings remain at the reduced agreed level for at least 12 months.
- 4.3. A reduction in hours to facilitate a reduction in annual pensionable earnings will be considered a permanent reduction in hours.
- 4.4. Employees who have partially retired and are considering the Voluntary Exit Scheme or any other HSC approved exit/retirement scheme, should note that any calculation of retirement benefits under an approved exit scheme will be based on retirement benefits accrued after partial retirement and any retirement benefits not taken on partial retirement.
- 4.5. Employees in receipt of long term protection of pay at the time of availing of partial retirement should note that partial retirement will not impact on their protected rate of pay which will be pro rata.

5. Important Considerations

- 5.1. Employees may have different normal retirement ages (NRA) based on their membership of the 2008 and 2015 Schemes. If you apply for partial retirement before your NRA your pension benefits will be reduced.
- 5.2. If you apply for partial retirement after NRA your pension benefits may continue to accrue based on which Scheme you are a member of.
- 5.3. If your pensionable pay increases within 12 months of being reduced you will cease to be entitled to receive the pension that you have chosen – this is referred to as abatement. Abatement may be applied when your pension is reduced because there has been a change in your re-shaped engagement/pensionable pay which takes it above 90% of the level/amount during the 12 month period ending on the day you opted to partially retire.

If as a result of a routine pay rise (i.e. progression on a pay scale) pensionable pay increases to more than 90% of the pay on which the decision to allow drawdown was assessed but the terms and conditions of a member's employment are otherwise unchanged, the pension is not abated. Full details can be found in the [scheme guides](#).

- 5.4. If you have purchased additional pension, you will need to consider when this is taken when making an application for partial retirement.
- 5.5. Employees who apply for partial retirement should carefully consider their options and seek financial advice if they feel necessary, before making any decision which could affect their pension position. Employees should ensure they read the HSC Pension scheme guide and ensure they liaise directly with the HSC Pension Service in relation to obtaining information on their entitlements and benefits. Further information on the above can be found on the HSC Pension website which can be accessed by clicking [here](#). It is important that you read this information to help you make an informed decision.

6. Frequently asked Questions

1. Is there a minimum amount or maximum amount of pension that I can apply for?

If you are partially retiring you need to specify how much of your normal pension you wish to claim. There are minimum and maximum amounts of pension that you can apply for. The Partial Retirement Factsheet on the HSC Pension website provides the details.

2. Can I get an estimate to enable me make a decision about Partial Retirement?

You can request an estimate of your pension benefits payable by completing the Member Request for Pension Estimate form which can be accessed by clicking [here](#)

3. Can I convert part of my partial retirement pension for lump sum?

It is possible to convert part of your partial retirement pension for a lump sum. You can apply for this when completing your AW6 which can be accessed [here](#)

4. Can I give up part of my pension on partial retirement to provide benefits for someone else?

No. But you can give up (or “allocate”) part of the pension payable to you on final retirement.

5. Are there any deadlines I need to be aware of?

You can partially retire on the day you reduce your earnings.

When applying for partial retirement you should be mindful that the process involves your manager considering and agreeing to your request for a reduction in hours, HR confirming with payroll that your earnings have reduced by the required 10% and HSC Pensions requiring 4 month to process pension benefits. It is therefore recommended that you give a **minimum of six months’ notice** when applying for partial retirement.

6. Can I still continue to pay into the HSC Pension Scheme after my partial retirement?

You can continue to pay HSC Pension contributions on what remains on your pensionable earnings provided you have not reached the maximum pensionable service.

7. Can I apply for promotion on either a temporary or permanent basis following my Partial Retirement?

On agreeing a partial retirement arrangement which is applicable to your substantive post only, you have begun the process of planning for final retirement and your exit from the organisation. On that basis it is not expected that you would seek promotion. Staff are reminded that if your pensionable pay increases within 12 months of being reduced you will cease to be entitled to receive the pension that you have chosen – this is referred to as abatement. Abatement may be applied when your pension is reduced because the re-employed salary and pension are more than the salary you received before claiming your pension. Full details can be found in the [scheme guides](#).

8. Can I work overtime or change my work pattern after I have taken Partial retirement?

Overtime rates are only payable when staff work over full-time hours ie. 37.5. As you will have reduced your hours to work part-time in order to partially retire, any extra hours worked

will be classed as additional hours. Staff should carefully consider the information provided at 5.3 before agreeing to work beyond agreed part-time hours. This includes the impact on earnings when working the same number of hours but being paid an 'unsocial' and higher rate for a different work pattern which affects earnings.

9. Can I make a further application for Partial Retirement at a later stage?

Yes, you can apply for partial retirement on a second and final occasion. You will be required to have a further 10% minimum reduction in earnings if you want to apply for partial retirement in the future. It should be noted that your intentions about your final retirement plans should form part of regular discussions with your Manager and at the earliest opportunity.

10. What happens on final retirement?

As part of your original application for partial retirement you should have discussed your likely final retirement date. It should be noted that you are not required to commit to a final date of retirement. When you decide to fully retire, you must follow your organisation's process for retirement; this includes completing another "Application for Scheme Retirement Benefits" (AW6). Remember this application needs to be with HSC Pensions 4 months before your planned retirement.

Your final pension will be based on any contributions you have made since your retirement since your partial retirement (including any additional contributions you made, if applicable). It will also reflect any pensionable service that you didn't take on partial retirement.

11. What if something happens to me after partial retirement?

After partial retirement you will be treated as a pensioner and partly as an active member of the pension scheme. This means that you will receive pension payments (and information about your annual pension increases) from HSC Pensions. HSC Pensions will continue to provide you with annual benefit statements covering the pension you are still building up. Please note that if you die in service or take ill health retirement after partial retirement, the benefits payable may be less than what would have been payable if you had not taken partial retirement. If you take ill health retirement, your pension will not be enhanced. Any lump sum payments due to death in service will take account of any lump sum paid when you drew benefits on partial retirement. Please refer to the partial retirement factsheet on the HSC pension Service website for more information.

12. How do I apply for partial retirement?

All staff should refer to this Policy and HSC Pension scheme guides before making a decision to partially retire. If you are unsure about the impact of partial retirement you may wish to seek independent financial advice.

If you wish to make an application staff should discuss their intentions with their manager in the first instance and complete the Partial Retirement application attached.

If the partial retirement (reduction in hours) is agreed the form should be signed by your manager and then forwarded to BSO HR. The available calculators which can be accessed by clicking here can be used by all parties to ensure the required reduction of at least 10% in annual pensionable earnings has been met.

Your manager will need to process the reduction of hours on HRPTS as a normal reduction in hours.

The right to appeal will be in accordance with your organisation's Stage 2 Grievance Appeal Process.

BSO HR will forward the approved Partial Retirement application form to Payroll Shared Services with the completed "Application for Pension Benefits" (AW6).

REVIEW OF THE PROCEDURES

These procedures should be reviewed in 12 months in consultation with recognised staff side representatives via the HSC (NI) Joint Negotiation Forum.

Signed on behalf of Staff Side:



Signed on behalf of Organisation:



7. Partial Retirement Application Form

Section 1 - Employee Section

To find out more about partial retirement please read your organisation's Partial Retirement Policy and also refer to the [Partial Retirement Factsheet](#)

You should discuss your wish to partially retire with your employer first and submit your partial retirement application form to your line manager. Your line manager should meet with you within 28 days of receipt of your application to discuss your request. If this is approved your line manager and your employer must complete sections of this form. Your employer must confirm that they have agreed a 10% reduction in your pensionable earnings for at least 12 months. Please note this can only be availed of TWICE.

Please fully complete Pages 1, 2, and 3 and return this form to **your employer** so they can complete Pages 4 and 5.

Remember to:

- use CAPITAL LETTERS,
- sign and date the declaration on Page 3,
- pass the form to your employer to complete pages 4 and 5.

Your personal details

| | | | |
|---------------------|--------------|-------------|-------------------------|
| Full Name | | | |
| D.O.B | | | |
| Staff Number | | | |
| Address | | | |
| NI Number | | | |
| Your Pension Scheme | 2008 Section | 2015 Scheme | (delete as appropriate) |
| Telephone Number | | | |
| E-mail address | | | |

Partial retirement and your job

To partially retire you must reduce your hours or make changes to your working pattern in order to reduce your earnings by at least 10% for at least 12 months.

After discussing this with your employer, provide the details of your job before and after partial retirement below.

| | |
|---|----------------------|
| Current contracted hours per week | Hours per week _____ |
| Current work pattern ie: 24 hour rota, 9am-5pm or nights only | |
| Date you wish to commence partial retirement | ____/____/____ |
| Contracted hours per week after partial retirement | |
| Work pattern ie: 24 hour rota, 9am-5pm or nights only after partial retirement | |
| <p>This can only be availed of TWICE.</p> <p>Please provide details below of any previous partial retirement arrangements.</p> | |

Please complete the below;

1. I wish to claim _____% of my HSC Pension Benefits
2. I wish to claim _____% of my additional pension purchased*

***This only applies if you have purchased additional pension benefits.**

Any pension you claim while you are still employed in a role covered by the HSC Pension Scheme arrangements may be subject to abatement.

Abatement is when your pension is reduced because your reshaped salary and your pension are more than the salary you received before claiming your pension. Full details can be found in the [scheme guides](#).

Your declaration

- I have read the Partial Retirement factsheet (to be amended).
- I understand the effect that abatement may have on my HSC pension benefits.
- I want to change my current job as set out on Page 2 on the date shown and I am aware of the potential financial impact of partial retirement.
- I have discussed, and agreed, my partial retirement with my employer.
- There will be at least a 10% reduction in my pensionable earnings for at least 12 months.

Your signature: _____ Date: ____/____/____

(To be completed by the applicants' manager)

Record of discussion on Reshaping and Final Retirement Plans where appropriate:

[illegible]

- that the information provided above by the employee in relation to the change to their contracted working hours or working pattern are correct,
- I have completed the action on HRPTS or submitted the relevant form to the HR department for their action.

Job Title: _____ **Date:** _____

Section 3 - Employer section

(To be completed by BSO HR Department)

As the **employer** you must complete this section of the application form, to confirm that your employee will reduce their pensionable earnings by at least 10% for at least 12 months from the effective date of their partial retirement.

By completing this form, the employer confirms:

- that the details provided by the employee are correct,
- that the member's annual pensionable earnings will be reduced by at least 10% for at least 12 months. This can be checked using the calculators which can be accessed by clicking [here](#)
- this application for partial retirement has been approved by the employer

Signature: _____

Print Name: _____

Job Title: _____

Date: ____ / ____ / ____

Please forward the AW6 Form to PSSC