

Policy on Age Related Retirement

July 2006

POLICY REFERENCE INFORMATION

Policy Reference Number	CL
Version Number	1.0
Status	Operational
Author / Lead	Head of HR
Implementation Date	1 July 2006
Date of Last Review Date	June 2006
Date of Next Formal Review	April 2007

DOCUMENT REVISION RECORD

Version	Description of change(s)	Reason for Change	Author	Date
1.0	-	-	-	-

RELATED POLICIES AND LEGISLATION

Policy Reference Number	Policy Title
-	Employment Equality (Age) Regulations 2006
-	Pensions Regulations (1995)

CONTENTS

Section	Description	Page
1	POLICY STATEMENT	4
2	PRINCIPLES OF POLICY	4
3	SCOPE OF POLICY	5
4	PROCEDURES	5
5	RELATIONSHIP TO OTHER POLICIES	5
6	ROLES AND RESPONSIBILITIES	5
7	EQUALITY IMPCAT ASSESSMENT	6
8.	APPENDIX	7

1. POLICY STATEMENT

Yorkshire and the Humber Strategic Health Authority (SHA) recognises that in response to demographic trends it is necessary to exercise a degree of flexibility in relation to retirement age in order to meet the needs of our staff and retain valuable knowledge and skills within the workforce.

In accordance with the Employment Equality (Age) Regulations 2006, members of staff have the right to request to work beyond their normal retirement age. There is no obligation to agree to such requests but Yorkshire and the Humber SHA is committed to considering all requests in a fair and equitable manner that will prevent discrimination on any grounds in accordance with legislation and the Authority's policy on Equal Opportunities.

2. PRINCIPLES OF POLICY

The aim of the policy is to encourage all staff to retire at an age that is appropriate for their circumstances and capabilities and to meet the needs of the organisation in terms of retaining valuable knowledge and skills.

The normal retirement age in the NHS is 65. However, Yorkshire and the Humber SHA is committed to supporting those members of staff who wish to retire either earlier or later than this. In considering retirement, both male and female staff must be treated equally and their entitlement relating to retirement ages is identical.

The organisation has an obligation to inform staff of their intended retirement date and of their right to make a request to work beyond retirement age at least six months in advance but not more than 12 months before the intended date.

If there are concerns around a member of staff's health or capability leading up to their proposed retirement date, these should be managed in line with Yorkshire and the Humber SHAs policies on Managing Sickness Absence and Capability as with any other employee.

The following options may be considered in relation to retirement:

- Early Retirement – from age 50 with reduced actuarial benefit
- Early Retirement and return to the NHS
- Flexible Retirement including Wind-down (reduction in hours in the lead up to a planned retirement) or Step-down (moving to a lower graded post in the lead up to retirement)
- Work as normal and retire at the normal retirement age of 65
- Retire at 60-65 and return to the NHS
- Continue working beyond 65

- Continue making pension contributions until age 70 if in NHS employment and the maximum contribution level has not been reached
- Flexible Working Arrangements

3. SCOPE OF POLICY

This policy applies to all staff approaching normal retirement age.

The policy also makes provision for early retirement in accordance with Pensions regulations introduced in 1995 that enable retirement from age 50 on reduced actuarial benefit.

4. PROCEDURES

Any member of staff who is considering Early Retirement or Flexible Retirement leading up to a planned retirement should contact the Pensions Office for advice on how this will effect their pension entitlements.

Procedures in relation to retirement and requests for extensions beyond normal retirement age are set out in Appendix 1.

5. RELATIONSHIP TO OTHER POLICIES

In implementing the policy on Age Related Retirement it may be necessary to give consideration to Yorkshire and the Humber SHAs policies on:

- Flexible Working
- Equal Opportunities
- Appraisal
- Sickness Absence
- Capability

6. ROLES AND RESPONSIBILITIES

Roles and responsibilities in relation to age related retirement are set out in the procedures within Appendix 1. In particular the following responsibilities should be highlighted:

The Line Manager is responsible for ensuring that staff are aware of their rights in relation to retirement and that the procedure outlined in Appendix 1 of the policy is applied in an fair and equitable manner.

The Line Manager must also ensure that Human Resources is kept informed of the process and any decisions in relation to retirement in order that appropriate arrangements can be made in relation to Pensions, Payroll and termination/extensions of employment.

Members of staff are responsible for ensuring that they have fully checked the financial impact of a particular course of action on their pension before making any final arrangements. Advice in relation to this can be sought from the designated Pensions Adviser.

7. EQUALITY IMPACT ASSESSMENT

At this time an Equality Impact Assessment (EIA) has not been carried out on this policy. However, an EIA will be carried out as soon as possible and by no later than 6 months of the issue date stated on the policy cover sheet.

8. APPENDICES

Appendix 1 – Procedure In Relation To Retirement

PROCEDURE IN RELATION TO RETIREMENT

Early discussions are required between a member of staff and their Line Manager to ensure that the lead up to retirement is well planned.

1. EARLY RETIREMENT/FLEXIBLE RETIREMENT

Members of staff considering Early Retirement or Flexible Retirement are encouraged to raise this with their Line Manager to make them aware of this and initiate discussions that will assist in planning their retirement.

2. NORMAL AGE RETIREMENT/EXTENSIONS

Where a member of staff has not already approached their Line Manager to discuss their retirement plans the Line Manager is responsible for identifying any staff that are nearing the normal retirement age and instigating the following procedure:

- 2.1 At least 12 months before a member of staff's 65th birthday the Line Manager should instigate an informal discussion to identify the member of staff's rights and intentions in relation to retirement. This may take place during the Appraisal Process when identifying training and development needs and agreeing the personal development plan. If the employee is intending to retire they should be encouraged to enrol on a pre-retirement course. Advice on appropriate courses can be given by Human Resources.
- 2.2 Between 6 and 12 months before the intended retirement date Line Managers must write to a member of staff to inform them of their right to request to work beyond the normal retirement age. They must be informed that this request must be made at least 3 months before their retirement date and that the request will be considered fairly and equitably taking account of the individual circumstances as well as the needs of the department. **Failure to notify an employee of their rights will make any dismissal on the grounds of retirement automatically unfair and may make Yorkshire and the Humber Strategic Health Authority liable for compensation.**
- 2.3 Any request for an extension beyond normal retirement age must be made in writing stating whether they wish to work:
 - Indefinitely;
 - For a stated period;
 - Until a certain date

Only one request can be made in relation to each intended retirement date.

- 2.4 If a member of staff does make a request to work beyond their normal retirement age they are entitled to continue working until they have been notified of the decision even if this takes them beyond the intended retirement date.
- 2.5 Within 28 days of receiving the request, the manager should normally arrange a meeting with the employee on a convenient date to discuss the request. This should only be extended where sickness absence or annual leave prevents the meeting being arranged within this timescale.

The employee is entitled to be accompanied at the meeting if they wish. However, the companion must be a Trade Union representative, Staff Partnership Forum representative or a fellow employee. If the companion is unavailable on the arranged date for the meeting the manager must postpone the meeting for up to 7 days if the employee requests it.

If after considering the request a Line Manager feels that the request can be agreed without further discussion it is acceptable to miss out this stage of the process and move directly to 2.5.

Where it is demonstrated that the member of staff's duties will need to continue, Managers should consider the request favourably in terms of:

- Savings to the organisation in recruitment and training costs
- Retaining the valuable knowledge and experience of the member of staff

If the Line Manager feels that they cannot accommodate the member of staff's request, every effort should be made to reach a compromise that is acceptable to all parties and this may include considering some of the options set out in section 2.3 of the policy that may not have been previously considered.

- 2.6 Within 14 days of the meeting (or within 28 days of receiving the request if a meeting is deemed unnecessary) the Line Manager must write to the employee to confirm the outcome of the request.

If the request for an extension is to be granted the letter must include any changes to the member of staff's employment pattern and also confirm the new intended retirement date.

Where the request for an extension is to be refused the letter must confirm the retirement date either on the original intended

date or an alternative later date. The letter must also inform the employee of their right to appeal against this decision. There is no obligation to confirm the reasons for refusing the request within the letter.

- 2.7 Any appeal should be made in writing to the appropriate Director / Senior Manager within the member of staff's Directorate within 14 days of receiving the written outcome.

Within 14 days of being informed that the member of staff wishes to appeal the manager must arrange a further meeting on a convenient date to hear the appeal. Again the employee may be accompanied by a Trade Union representative, Staff Partnership Forum representative or work colleague and can request a postponement if their chosen companion cannot attend on the date arranged.

The Director / Senior Manager must provide a decision within 14 days of hearing the appeal. Where the appeal is rejected there is no requirement to state the reasons for this decision.

There is no further redress with regards to the decision following the appeal, unless the agreed policy and procedure for handling requests for extensions beyond normal retirement age has not been followed. Under these circumstances, the employee has the right to seek redress via the organisation's Grievance Procedure.

- 2.8 In addition to the above, all correspondence in relation to requests to work beyond retirement age must be copied to Human Resources and in particular the outcome must be confirmed in order that necessary arrangements can be made in relation to Pensions and Payroll.

Where an extension is to be granted an Establishment Control Form must be completed in support of this and forwarded to Human Resources.

Where an extension is to be refused the Leaver Form must be forwarded to Human Resources.

NB: If the member of staff's employment is extended on a short term basis to enable a decision to be reached in relation to a request for an extension beyond the intended retirement date, the Line Manager must inform Human Resources to ensure that appropriate arrangements are made in relation to Payroll.