

NHS Pensions - Pensionable Pay increases within 12 months of Partial Retirement (Draw Down)

Partial retirement (draw down)

Eligibility

Officer and Practitioner Members, including those who are in NHS employment but are no longer required to contribute, are eligible to take partial retirement (draw down) part of their pension benefits if they:

- a) Have reached the age of 55; and,
- b) Continue to be employed in the employment, or where there is more than one employment, in at least one of them; and
- c) Have not already drawn down twice before.

The terms on which the member holds the employment(s) must change with the result that an:

- Officer member – reduces their pensionable pay by a minimum of 10% of the pay in the previous 12 months.
- Practitioner member – reduces their level of commitment to the NHS by a minimum of 10% in the previous 12 months.

And expects the reduced pensionable pay or level of commitment to continue for at least 12 months after draw down takes effect.

An Officer member with two or more part time employments must reduce their pensionable pay by a minimum of 10% of the total received in those employments in the 12 months before drawing down.

If the member was not an active member in at least one employment for the whole of the period of 12 months before drawing down the pensionable pay must be increased to a full year.

Abatement of the pension

Both the employer and the member must inform NHS Pensions of any increases to the level of pay or changes to the conditions of employment.

The pension will be abated in full (cease) if in the 12 months after the date the member elects to draw down:

- a) The terms on which the continuing NHS employment(s) are held change again or the member begins a new NHS employment as an active or a non-contributing member (This is a member who is no longer required to make contributions to the Scheme); and

- b) The sum of the pensionable pay from all employment(s) held by an Officer member is more than 90% of the pensionable pay on which the decision to allow drawdown was assessed; or
- c) The level of engagement of a Practitioner member is more than 90% of the commitment on which the decision to allow drawdown was assessed.

When abatement applies the next and all subsequent pension payments due after the increase in pensionable pay or level of engagement are reduced to zero.

Effect of pay rises and changes to terms and conditions

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 an Officer member's employment(s) are otherwise unchanged, the pension is not abated.

However, if the terms and conditions of the Officer member's employment(s) do change, the increased annual rate of pensionable pay prior to the change will be used to determine whether the pension ceases.

Recommencement of an abated pension

Payment of the pension will recommence if there is a further change to the terms of the employment and for:

- An Officer member - The sum of the pensionable pay from all employment(s) held by an Officer member is again reduced by a minimum of 10% of the pensionable pay on which the decision to allow draw down was based.
- A Practitioner member - The level of engagement of a Practitioner member is again reduced by a minimum of 10% of the commitment on which the decision to allow draw down was based.

When the above condition is met the pension will recommence from the next pension payment date after the reduction in the member's pensionable pay.

If there is no change the pension will recommence when the member either:

- a) Retires from pensionable employment; or
- b) Partially retires from pensionable employment for a second time and meets the eligibility criteria to draw down; or
- c) Attains the age of 75.