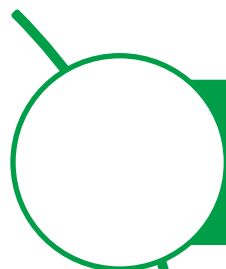


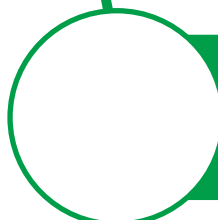
Retirement forms and ill health retirement process



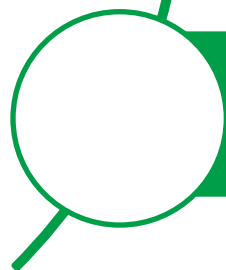
Overview



An overview of the retirement process



Calculating pensionable pay



An overview of the ill health retirement process & death benefits

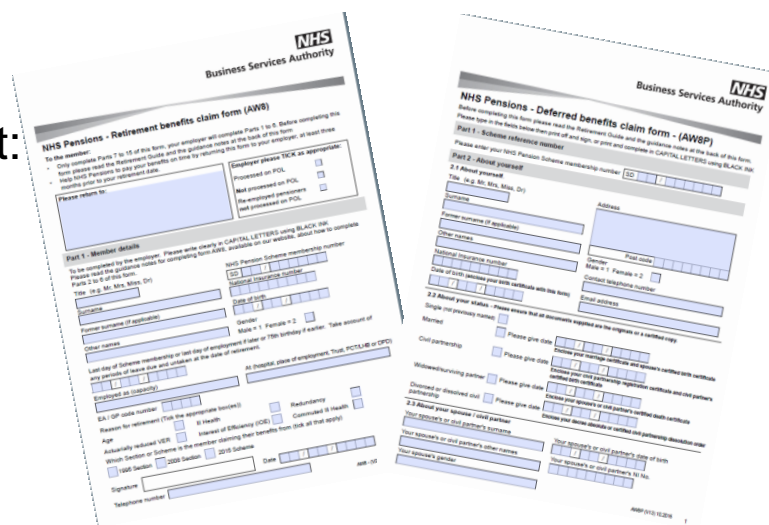
Applying for retirement benefits

Members applying for retirement benefits in active pensionable employment, must complete a retirement benefits claim form (AW8). The form is completed partly by you and partly by the member.

Members who have already left NHS employment must download and complete deferred benefits claim form (AW8P) from our website.

Either the AW8 or AW8P retirement application form must be completed for all types of retirement:

- age
- ill health
- early retirement
- redundancy



Age retirement

For members to be eligible to retire on age grounds, they must have attained their normal pension age which is:

- Age 60 in 1995 Section (age 55 some members who hold Special Class/MHO status and satisfy certain criteria)
- Age 65 in 2008 Section
- Same as State Pension age, or age 65 (whichever is later) in 2015 Scheme



Early retirement

Early Retirement is the term for taking retirement benefits earlier than the normal pension age, at a reduced rate.

Members may also apply to take deferred benefits early providing they have 1995 Section membership after 01/04/2000 and are over the minimum pension age. This is called early payment of preserved benefits (EPPB).

- The member's pension and retirement lump sum (where applicable) is reduced because benefits are being paid earlier than expected.

The further away the member is from their normal pension age, the greater the reduction will be to their benefits...

Can a member apply for early retirement whilst awaiting ill health retirement decision?

- No. If the member applies for early retirement and these are put into payment, the retirement benefits will then remain in payment for life and will prevent any further consideration of entitlement to ill health retirement benefits.

If the member has already applied for early retirement or age retirement benefits and these have not yet gone into payment, they can request to cancel this application if they wish to pursue ill health retirement instead. They must write to us direct to cancel their application...

Submitting the retirement benefits claim form (AW8)

Members should notify you approximately 4 to 6 months before their intended retirement date, to allow time to assess their options and complete the application form.

You should submit the completed application form to us 3 months prior to the member's retirement.

We aim to pay the lump sum (if applicable) on the day following retirement. However the lump sum payment can take up to 30 calendar days following the member's retirement (or from the date at which NHS Pensions received all the information required to process your award if this was later).

Please ensure that you have closed the member's records before submitting the AW8 retirement application form to avoid delay...

In what circumstances should I complete an AW8?

An AW8 should be completed partly by you and partly by the member and submitted via pensions online (POL) in the following circumstances;

- Members in pensionable employment at their date of retirement.
- Members who have opted out of the Scheme but remain in NHS employment
- Members accepted for ill health retirement still in pensionable employment
- For all redundancy, Interest of Efficiency of the Service and Early Retirement cases

One retirement application form AW8 may be used if members are claiming from more than one section/scheme unless there is a deferred element where an AW8P would be required...

When should I complete a paper form AW8?

In most cases you should be able to submit the benefits retirement application form (AW8) via Pensions Online, however in some instances you may need to send a paper form AW8. These include:

- Members claiming benefits from the 1995/2008 Section who have achieved maximum service or maximum pensionable age.
- Member who are under their normal pension age when they opted out of the Scheme.

Where the member is claiming pension benefits from a date later than their last day of scheme membership, you must also send the 'AW8 Supplementary form' to advise us of the payable date of benefits...

Please check the payable date

When you are submitting benefits retirement form (AW8) via Pensions Online (POL) please check:

- The member is eligible to claim the type of benefits that are being selected and are eligible for those benefits at their last day of service
- The payable date input is correct
- Any additional information is sent to nhsbsa.polia@nhs.net
- Please do not rely on POL to advise you if the member is or is not eligible for the benefits selected.



When should an AW8P be completed?

An AW8P should be completed by the member in the following circumstances;

- Members who have left NHS pensionable employment with deferred benefits
- Members with entitlement in more than one section or scheme claiming benefits from an earlier deferred period only
- Male member's in receipt of Special Class benefits who are claiming their deferred pre 17 May 1990 membership

Calculating pensionable pay for 1995 Section

In the 1995 Section, the pensionable pay figure is the best of the last three years actual pay. If the member is part time, it is based on the notional whole time equivalent pensionable pay.

To work out the pensionable figure, step back 365 days of pensionable employment counting back three years from the member's retirement date.

For example;

- Last day of membership = 15.05.2018
- TPP period, stepped back 365 days 16.05.2017 to 15.05.2018
- Then take all the whole months and add together.

You will need to complete both the actual and the NWT pensionable pay on the AW8 where the member is part time...

Example – 1995 section

TPP period, stepped back 365 days 16.05.2017 to 15.05.2018

Whole months	Basic pensionable pay	Cumulative pay
June 2017	£1,200	£1,200
July 2017	£1,200	£2,400
August 2017	£1,200	£3,600
September 2017	£1,200	£4,800
October 2017	£1,200	£6,000
November 2017	£1,200	£7,200
December 2017	£1,200	£8,400
January 2018	£1,400	£9,800
February 2018	£1,400	£11,200
March 2018	£1,400	£12,600
April 2018	£1,400	£14,000

1995 section example continued - part months...

Calculate the number of days from 16.05.17 to 31.05.17 = 16 days

Calculate the pay for that period:

- Basic Pensionable pay for May 2017 x days worked / total days in month
- $£1,200 \times 16/31 = £619.35$

Calculate the number of days from 01.05.18 to 15.05.18 = 15 days

Calculate the pay for that period:

- Basic Pensionable Pay for May 2018 x days worked / total days in month
- $£1,400 \times 15/31 = £677.42$

Add results: $£14000 + £619.35 + £677.42 = £15296.77$ total pensionable pay

Regular shift allowance payments which form part of the member's normal employment should be treated as pensionable...

Notional whole-time pensionable pay (NWT)

To calculate the NWT please use the following formula:

$$\text{NWT} = \frac{\text{Actual Pay in TPP period} \times \text{Annual Standard hours}}{\text{Actual pensionable hours worked in the TPP period}}$$

Example;

Using the actual TPP figure of £15296.77 the NWT figures are as follows:

$$\frac{\text{£15296.77} \times 1955 \text{ (37.5 hours per week)}}{834 \text{ (total pensionable hours worked in TPP period)}} = \text{£35857.54}$$

Figures/hours will have to be calculated pro-rata for part months...

Pensionable pay 2008 section & 2015 Scheme

- There is no requirement to provide reckonable pay for 2008 Section on the AW8. NHS Pensions will calculate the reckonable pay based on the best 3 consecutive years in the last 10 years
- There is also no requirement to provide pensionable pay for members in the 2015 scheme on the AW8. However, please ensure when updating the member's records you are providing the correct employer pay.

Exception

We will ask you to provide pensionable pay for members in the 2015 Scheme who have 1995 Section benefits and have maintained a final salary link...

Calculating pensionable pay with disallowed days followed by outstanding annual leave

- Any period of annual leave on a members retirement, extends the last day of membership by the total number of days outstanding
- Similarly, if a member has unpaid sick leave followed by outstanding annual leave, the last day of membership is extended and the pensionable pay period is worked out stepping back into the last pensionable pay periods over the last 3 years
- Where there is unpaid sick leave the payable date and deemed date usually differ, unless there is a period of paid notice

Please remember to show the number of disallowed days on both the AW8 and SD55 when terminating the members record...

Claiming ill health retirement

To claim ill health retirement, member's must complete a pre assessment application form. On completion of the application form and supporting medical evidence, the application is assessed independently by our medical advisers (Medigold).

There are two forms:

- Members in pension employment must complete an initial ill health application form (AW33E) which is partly completed by you
- Members who have deferred NHS membership must complete an initial ill health application form (AW240)

Members with entitlement in more than one section or scheme may need to complete both the initial ill health application forms AW33E and the AW240...

Ill health retirement process

Once ill health retirement is accepted, an ill health acceptance letter is sent to the member, employer and NHS Pensions.

- When you received notification the ill health retirement has been accepted, you will need to send the application for retirement form (AW8) to the member within 6 weeks of receiving your copy.
- There is no benefit to delaying or deferring payment of ill health retirement benefits. If an extended amount of time passes between the acceptance of an application and the benefits being claimed, we would investigate this and potentially request that the member re-apply for ill health retirement.

Members will need to submit a fresh ill health application where submission of the AW8 following acceptance exceeds 12 months...

Serious Ill-health Commuted benefits - 1995 Section

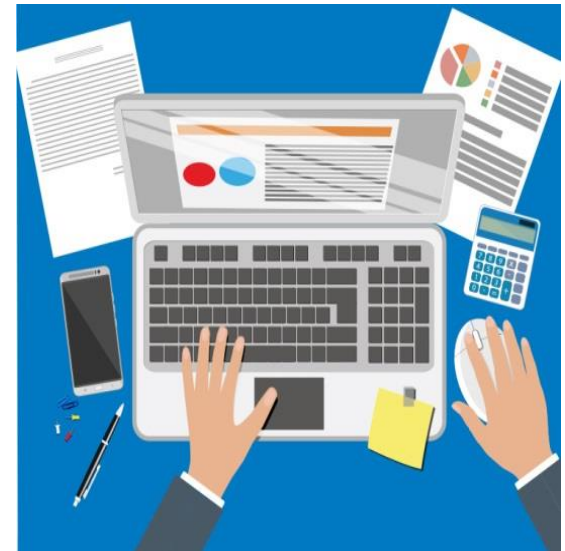
example:

For members to receive the most beneficial one off lump sum payment, the basic pension is firstly commuted by giving up some of their pension to get a maximum lump sum.

The serious ill health one off lump sum payment is equal to:

- Pension (reduced after commutation) X 5
- Plus the maximum lump sum after pension commutation

Members must have be diagnosed with less than 12 months to live to apply for ill health commutation...



Serious Ill health

To apply for serious ill health commutation, a form AW341/AW341A needs to be completed and submitted with the retirement application form AW8/AW8P

Note – Active members;

Where a member dies whilst in pensionable employment (their contract hasn't been terminated) and retirement forms have not been submitted, it becomes death in service and serious ill health commutation can no longer be considered...

Death Benefits

The Scheme provides a life assurance lump sum and pension benefits in the event of Death. This may include:

- A life assurance lump sum (for members who are in active employments, deferred or recently retired)
- Adult dependents pension
- Children's pension
- Members can also nominate a person, persons or organisation to receive a life assurance lump sum upon death.

We will determine eligibility and the benefits payable at the time of death...

Death in service Benefits - Which Form?

If the member died while in pensionable employment the following forms should be issued to the next of kin:

- Form AW9 to claim the adult dependent pension on death of an active member. The spouse, civil partner or nominated qualifying partner should complete this.
- Form AW11 to claim the life assurance lump sum on death. The legal personal representative of the deceased member should complete this.
- Form AW158 to claim the children's pension. It is the responsibility of a dependant's parent/guardian to complete this.

For allocated pensions and children's pension payment instruction G60 is also required...

Thank you

I hope you found this presentation helpful to you please feel free to ask questions.



Thank you

Elizabeth Chapman

Operations Manager for Stakeholder Engagement

