

NHS Pensions - Actuarially Reduced Early Retirement FAQs

Q. I have a member retiring and wishing to take Actuarially Reduced Early Retirement benefits. How do I notify NHS Pensions?

- A. Please note that the Guaranteed Minimum Pension (GMP) test needs to be checked and passed before Actuarially Reduced Early Retirement (ARER) can be finalised. You should contact NHS Pensions requesting that the GMP test be checked. Please refer to the GMP test on the Actuarially Reduced Early Retirement Factsheet in this section.

If the GMP test is successful you should give the member the 'retirement benefits claim form (AW8)', which must be completed by both the employer and the member, together with the Retirement Booklet. To enable these benefits to be paid on time, NHS Pensions should receive the completed form at least three months prior to the proposed retirement date.

Q. What if the GMP test is unsuccessful?

- A. The member will not qualify for early retirement benefits. If the member is leaving employment their benefits will be deferred for payment at Normal Pension Age. Where the member claims their deferred benefits before their Normal Pension Age a reduction will be applied and the benefits will be subject to a revised GMP test.

If a member decides not to leave employment at this stage due to Actuarially Reduced Early Retirement not being applicable, they may be able to take Actuarially Reduced Early Retirement at a later age when the reduction factors are lower. A further GMP test will need to be done each time the member applies.

Q. Where can I get the application form AW8?

- A. Form AW8 is available for download from our website, requests for hard copies of the AW8 must be made through the online ordering portal, provided by Xerox.

Q. If I only have an old copy of form AW8 will NHS Pensions accept this?

- A. No. You will need to download a new version of form AW8 as stated above.

Q. How do I close down their membership record, ready for retirement?

A. You need to access form SD55 on Pensions Online (POL) – E Forms to close their employment down. If you do not have access to POL you can obtain a SD55 spreadsheet by emailing datamanagement@nhspa.gov.uk.

Q. A member is still working – can they apply for their benefits?

A. No. All members have to have a break of at least 24 hours to qualify for their retirement benefits unless they are age 75. Members who have transitioned across to the 2015 Scheme from the 1995 or 2008 Section and no longer have a final salary link i.e. they have had a break in membership of more than five years, do not have to have a 24 hour break in order to claim their 1995 or 2008 Section deferred pension benefits.

Q. What if they have more than one job?

A. If they are a member of the 1995 Section and have two or more concurrent pensionable jobs in the NHS they are only required to retire for at least 24 hours in one of them provided that the remaining job(s) total less than 16 hours per week. However, they must cease to be pensionable in their other job(s). Members of the 2008 Section and/or 2015 Scheme must cease all their NHS employment and retire for at least 24 hours to claim their pension.

Q. If a member has outstanding annual leave, do I extend their leaving date?

A. Yes, annual leave is classed as membership, so this will extend the members leaving date.

Q. I don't have access to POL, how do I provide them with the information they need to consider commuting part of their pension?

A. For employers who do not have access to POL, or for those individuals that POL does not cater for, employers are asked to complete an AW295 and send it to NHS Pensions. However, if the member has already received an estimate within 12 months prior to retirement, please refer them to the commutation calculator.

Q. Will the members pension change to the unreduced amount payable when they reach their Normal Pension Age?

A. No. They will continue to receive the reduced pension for as long as it is paid.

Q. If a member of the special classes retires before age 55 what will the reduction be?

A. The reduction is applied to age 60, regardless of whether they are a member of the special classes or not, as benefits are applied for before their Normal Pension Age.

Where a member is age 55 or over and holds Special Class status you may wish to confirm with NHS Pensions whether they are eligible to receive age retirement benefits.