

NHS Pensions - 2008 Section and 2015 Scheme Draw Down applications

A key feature of both the 2008 Section and 2015 Scheme is the provision for partial retirement, or 'draw down'. On reaching age 55 members become eligible to take some of their pension if the annual rate of their pensionable pay is reduced by 10% or more of their pensionable pay received in the preceding 12 months. This also applies to members who wish to draw down part of their pension for a second time. They are not required to have a break in employment in order to claim their drawn down benefits.

Drawn down benefits paid before a member reaches their Normal Pension Age must be actuarially reduced as they are being paid early. The Normal Pension Age for members of the 2008 Section is age 65 and for members of the 2015 Scheme it is their State Pension Age or age 65, whichever is later.

A member can draw down part of their benefits on up to two occasions before fully retiring. A member who has already drawn down from the 2008 Section before becoming a member of the 2015 Scheme may only draw down on one more occasion before taking full retirement.

To be eligible for draw down members must:

- be at least age 55
- be an active member of the Scheme
- reduce their actual pensionable pay by at least 10% (for GP's a 10% reduction in commitment is required)
- have had the previous level of pensionable pay for at least 12 months
- expect the new level of pensionable pay to last at least 12 months
- not have already drawn down on two occasions.

Subject to overall limits, members can draw down a minimum of 20% and up to a maximum of 80% of their pension entitlement earned to date, whilst continuing to build up further pension entitlement. For example, a member may draw down 20% before Normal Pension Age which is actuarially reduced, but may continue to work past their Normal Pension Age, in this instance the remaining 80% would be subject to late retirement factors. The minimum pension payable, prior to any commutation, cannot be lower than 0.05% of the member's current standard Lifetime Allowance.

Members with entitlements in both the 2008 Section and 2015 Scheme cannot choose which Scheme the amount being drawn down is applied against. For example, if the member elects to draw down 80% of their pension benefits this will be 80% of their total pension from both the 2008 Section and 2015 Scheme combined.

If you have a member of the 2008 Section or 2015 Scheme applying to draw down some of their pension:

- 1) Do not close the record down through Pensions Online as the member is continuing in that employment.
- 2) Complete a paper AW8 form as normal marked '2008 Section Draw Down', '2015 Scheme Draw Down' or '2008 Section/2015 Scheme Draw Down', whichever is applicable.
- 3) On a separate sheet of paper we need the following information from you:
 - Confirmation that the member has reduced their pensionable pay by at least 10% (or a 10% reduction in commitment if a GP)
 - Confirmation that the member will remain on the reduced pensionable pay for a period of at least 12 months.
 - The amount of pension that they wish to take; the minimum amount being 20%, which must not be less than 0.05% of the member's standard LTA on the option day and the maximum 80%.
- 4) Attach this separate sheet of paper to the AW8 form and send it to NHS Pensions.