

Retire and Return

What will be covered in this presentation?

- Re-employment process and forms
- Eligibility to re-join following retirement
- 24 hour break rule
- Suspension
- Abatement



Re-employment process

All pensions will initially be suspended where the member has indicated on retirement application form they will be re-employed following retirement.

The current processing times for members pensions that are suspended is 20 working days from receipt of completed form.

Re-employment form RE08 will automatically be sent to all members who are going to be re-employed regardless of whether they are going to be subject abatement or not.

Our Pensioner Administration Team will determine whether members are subject to abatement and calculate the earnings margin.

What if the date the member is going to be re-employed is unknown at retirement?

Where you are unable to confirm the date the member will be re-employed:

- The member should be advised to tick “no” on part 8 of the retirement application form where the re-employment date is likely to be outside the first calendar month following their retirement date. This will avoid the pension being initially suspended.
- Once the re-employment date is known, the member must let us know as soon as possible to avoid any potential overpayment of their pension benefits.

Re-employment forms

Pensions will remain suspended until a completed return to work form is completed and submitted by you, the employer by post or email.

Currently, you can also either:

- Submit form AW140 on Pensions Online whilst this is still available
- Access and complete the re-employment form via the pensioner hub on our website

To streamline this process, the RE08 form is set to be replaced by the website version, so eventually there will only be one form.



1995 section pensioners returning to work after retirement

Members in the 1995 section who are in receipt of their pension benefits are generally **not eligible** to re-join the NHS pension scheme. The only exceptions to this are:

- Members retiring from the 1995 section on ill health grounds returning to NHS employment before reaching age 50 are. (Depending on their protection arrangements)
- Members claiming their deferred pension who have had a break of 5 year or more between the 1995 section and 2015 scheme

More information about eligibility can be found in the Retire and Return Guide
On our website at: www.nhsbsa.nhs.uk/nhs-pensions

2008 section and 2015 scheme pensioners returning to work after retirement

The 2008 section and 2015 scheme are much more flexible.

Members who are in receipt of their pension benefits from the 2008/2015 schemes are generally eligible to re-join the NHS pension scheme. Providing they:

- Have not reached maximum pensionable age (age 75)
- Have not attained maximum membership (2008 section



Rejection letters - Employers

A system generated rejection letter is produced following submission of the joiner form on Pensions Online (POL) where a member is not eligible to return to NHS pensionable employment. In these circumstances you must to the following:

- Inform the member they are not eligible to join
- Make a local return of any contributions already deducted since submitting the joiner form

24 hour break following retirement

Most members in any section or scheme will be required to take a 24 hour break when claiming their pension. The only exceptions are members who:

- have reached maximum pensionable age (age 75)
- partially retired through draw down (a feature offered to members in the 2008 section and 2015 scheme.
- Retired from active pensionable employment on ill health, redundancy or interests of the efficiency of service.
- Were in the 1995 section with concurrent employments. In this case, they would only need to have a break from one post, not both.



Rejection Letters - Members

Members may receive a rejection letter where they have either:

- Not taken a 24 hour break following their retirement

or

- Exceeded 16 hours per week in the first calendar month following retirement.

Where a member receives a rejection letter, they should ask their employer to provide us with the revised details and confirm the 24 hour break/16 hour rule has now been adhered to.

We are unable to pay a members pension benefits where the above criteria has not been met.

Suspension (1995 Section) - 16 Hour a week rule

Suspension means payment of a members pension is temporarily stopped for a period following re-employment after retirement.

- Suspension may apply to members who have retired on age or voluntary early retirement before maximum pensionable age and anyone claiming deferred benefits.
- Members pension benefits will be suspended where a member returns to NHS employment and they work more than 16 hours in the first calendar month following the 24 hour break. Pension benefits will be reinstated once the 16 hour a week rule has been adhered to.
- A calendar month is defined as an ordinary month which runs from the day the suspension period begins to the day before in the following month.

Abatement

Abatement means a potential reduction to a member's pension benefits following re-employment after retirement. Abatement may apply to:

- Ill health retirements (applies to NHS and non NHS work) if a members earnings are above a certain level. There are restrictions around being re-employed following ill health retirement
- Special class / Mental Health officer age retirements

Abatement may also apply to other types retirement.

More information about this and the restrictions around ill health retirement and re-employment can be found in the Retire and Return Guide on our website at: www.nhsbsa.nhs.uk/nhs-pensions

Abatement no longer applies when a member reaches their normal pension age for that section or scheme.

Abatement figure – Pre 2008

Special Class members are subject to the old (pre April 2008) rules.

For special class members:

Pension + new earnings must not exceed the earnings prior to retirement.

The earnings prior to retirement are taken from the pre-retirement earnings stated on the retirement application form along with the member's annual rate of pay at last day of service. For part-timers the highest actual pay may be in a different year to the whole time equivalent.

If their new earnings on re employment and their pension exceeded their earnings prior to their retirement, their pension would be abated £1 for £1 until age 60. The pre-retirement earnings are subject to cost of living increases where applicable each year.

Abatement figure – New rules

Under the new arrangements the abatement will apply if:

Unearned Pension + New Earnings = More than the Previous Pay.

This is the difference between the pension the member became entitled to at retirement and an actuarially reduced pension calculated at the same date.

NHS pensions will calculate the abatement figure.

There is more information about the Pre 01/04/2008 old abatement rules in the Abatement Guide and Retire & Return Guide on our website.



Transitional/Tapered Protection and members of the 1995/2008 Scheme – abatement table

If the pensioner has a 1995 or 2008 Section pension and also a 2015 Scheme pension that are both subject to abatement, the abatement of each pension is limited to its own unique unearned element.

Member type	Abatement end date
1995/2015 Transition/tapered	1995 pension - age 60 / 2015 pension- Normal Pension Age
2008/2015 Transition/tapered	2008 pension - age 65 / 2015 pension – Normal Pension Age
1995/2008	1995 pension - age 60 / 2008 pension – age 65

The abatement of each pension is applied separately because abatement ends at different dates.

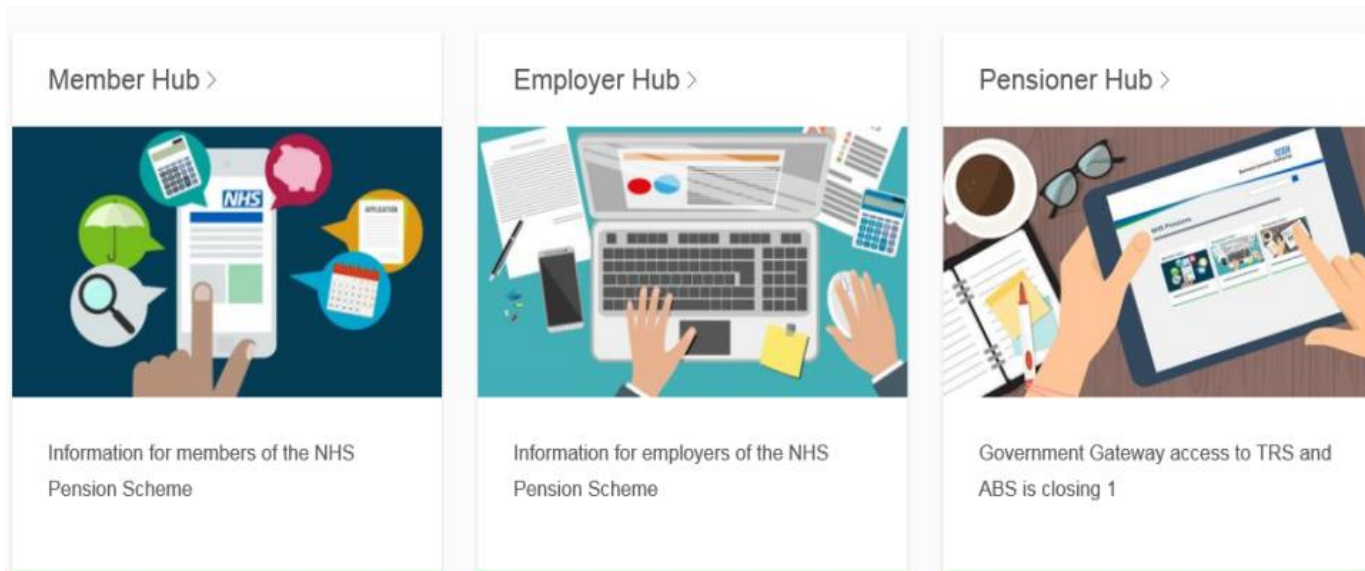
Re-employment - Summary

	1995 section	2008 section	2015 Scheme
Eligible to re-join after retirement	No (in most circumstances)	Yes	Yes
24 hour break required	Yes	Yes (in most circumstances)	Yes (in most circumstances)
Pension suspension	Yes	No	No
Pension abatement	Yes	Yes	Yes

NHS Pensions website

Everything in this presentation can be found in the Retire and Return Guide for employers on our website

www.nhsbsa.nhs.uk/nhs-pensions



Many thanks for listening. Do you have any questions?



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