**Flexible retirement options – Partial Retirement (Drawdown)**

You may be aware of the upcoming changes that the Department of Health and Social Care are introducing to the NHS Pension scheme retirement options. At the beginning of this year NHS Pensions posted letters out to active members of the Scheme detailing these changes in brief. More information on this has now just been released. Therefore, at this stage the purpose of this communication is to provide some high-level information relating to this and NHSBT are working on finalising the internal application process, which we will communicate shortly.

If you have reached your minimum pension age and you have agreement from your employer, then you can choose to take part, or all of your pension benefits while you continue working in NHS employment and build future pension benefits in the 2015 Scheme. This is called partial retirement (Draw Down).

This has already been possible for membership held in the 2008 section and 2015 Scheme. From 1st October 2023 this will also be possible for membership held in the 1995 section.

The amount of benefits that you can take through partial retirement is also increasing. From 1 October 2023 you’ll be able to take from 20% up to 100% of your pension benefits, without having to leave your current job.

To be eligible for Partial Retirement (Draw Down) you must:

* have reached their minimum pension age relevant to the Scheme(s) you are claiming from.
* be an active member of the NHS Pension Scheme (must be paying pension contributions to the NHS Pension Scheme as deductions from your NHS earnings)
* reduce your actual pensionable pay by at least 10%
* have a change in your terms and conditions of employment following the reduction in pensionable pay.
* have had the previous level of pensionable pay prior to partial retirement for at least 12 months.
* expect the new level of pensionable pay to last at least 12 months from the point partial retirement is taken.
* not have already claimed partial retirement on two occasions.

The reduction in Pensionable Pay

To take partial retirement, you must reduce the annual rate of your pensionable pay by at least 10% of the pensionable pay received in the previous 12 months. The reduction in pay should be agreed between the you and your employer.

The ways in which you may reduce your pensionable pay will vary, this may include reducing hours, responsibilities, or down banding to a less demanding role.

Pensionable/non-pensionable pay elements must comply with the regulations which define pensionable earnings.

Once you have calculated the pensionable pay that you will require in order to reach a 10% reduction or more, you must then discuss with your employer if this is possible and if so the ways in which it will be possible to achieve this.

Your employer is not obliged to grant the request and if you and your employer cannot come to an agreement which follows the rules, then partial retirement will not be an option and your will need to look into the option of retire and return.

The application process.

1. Before applying for partial retirement, you must discuss it with your employer, to agree any changes to your working arrangements that may be needed to achieve the required reduction in pensionable pay.
2. You should use the Partial Retirement Calculator on the NHSBSA website to decide what percentage to take (this will be available from 1st October 2023)
3. Once agreed with your employer you should contact UHB Pensions via email or telephone 3-4 months prior to the date that you are intending to claim your benefits/reduce your pensionable pay.
4. UHB Pensions will begin the admin process required, this will involve emailing you with the Retirement Benefits Claim Form and the Partial Retirement Supplementary Form (along with instructions for completion).
5. You will need to return both the Retirement Benefits Claim Form and the Partial Retirement Supplementary Form to UHB Pensions for completion.
6. UHB Pensions will complete their relevant sections of both forms and submit the claim to NHS Pensions for calculation and payment.

If you would like to understand more about partial retirement please see the NHSBSA website; [Partial retirement | NHSBSA](https://www.nhsbsa.nhs.uk/member-hub/partial-retirement) and the factsheet; [Partial Retirement Member Factsheet (nhsbsa.nhs.uk)](https://www.nhsbsa.nhs.uk/sites/default/files/2023-08/NHSPensions_PartialRetirement_Member_Factsheet_%28V2%29_3.pdf)

*Partial Retirement is a flexible retirement option in* ***addition*** *to retire and return. Retire and return doesn’t require a reduction in pensionable pay. Members who wish to claim 100% of their pension benefits, or 100% of their 1995 section benefits, and members who do not wish to reduce their pensionable pay might consider the retie and return option. Please refer to your Trust’s retirement policy for more information.*

You may wish to take financial advice before making a decision and whilst we are not making any recommendations or promoting the use of any organisations, NHS Employers have compiled a list of financial advisors that have been identified as being able to give expert guidance and advice on pension issues for members of the NHS Pension Scheme. This is available from the following link; [Access-to-pension-tax-guidance-and-advice-April-23.pdf (nhsemployers.org)](https://www.nhsemployers.org/system/files/2023-04/Access-to-pension-tax-guidance-and-advice-April-23.pdf)

If you have any queries, please contact the Pensions Team at UHB directly.