



Implications of a raised retirement age

Information for employers

This factsheet is part of a suite of resources produced by the UK Working Longer Group and adapted for Scotland by the Scottish Working Longer Group. It aims to help employers understand how the raised retirement age may affect your staff and how you can begin to support them in their career and pension choices.

The factsheet links with the aims of the UK and Scottish Working Longer Groups, which were established to address the impact of a raised retirement age on NHS staff, employers and the provision of health services. Following an extensive review of data and available evidence, the group submitted its preliminary findings and recommendations report to the Health Departments in early 2014.

The recommendations in this report concentrated on some key themes:

- the importance of appropriate working arrangements and work environment for staff (for example through flexible working)
- protecting and promoting the health, safety and wellbeing of staff through good practice occupational health, safety and wellbeing programmes
- enabling staff to understand the NHS Pension Scheme and the flexibilities within it, so that they can make informed pension choices.

A copy of the report can be accessed through the working longer section of the **Scottish Terms and Conditions Committee website** (www.stac.scot.nhs.uk/working-longer).

How will the raised retirement age affect your staff?

In the 2015 scheme, Normal Pension Age (NPA) is set equal to State Pension Age (SPA). This means that up to 70 per cent of 2015 scheme members will have a pension age of between 65 and 68.

It was acknowledged that this may have changed some member's retirement plans. For instance, members of the 1995 section of the NHSScotland Pension Scheme who joined the 2015 scheme on or after 1 April 2015, were offered a second opportunity to move their existing membership into the 2008 section in a time limited exercise known in Scotland as the 95 Section Choice Exercise. This was an acknowledgement that profound changes had taken place since the introduction of the 2008 section of the previous scheme and that members may have made a different choice had they been aware of this.

What do you need to know?

- The majority of current 1995 section members who moved to the 2015 scheme will have a NPA of at least age 67.
- Moving their 1995 section membership to the 2008 section via the 95 Section Choice Exercise may have benefitted some members who intend to retire on or closer to their new NPA.



Who was affected?

- Members of the 1995 section with no protection under the 2015 NHS Pension Scheme arrangements.
- Members with tapered protection under the 2015 NHS Pension Scheme arrangements.

Further information on protection arrangements is available on the **Scottish Public Pension Agency (SPPA) website** (www.sppa.gov.uk).

The new 2015 NHS Pension Scheme

The new 2015 NHS Pension Scheme came into effect on 1 April 2015. You can find out more information about the features and benefits of the new scheme on the **SPPA website** (www.sppa.gov.uk).

The 2008 section of the existing 1995/2008 Scheme is closed to new entrants. All new joiners (without previous service) will join the 2015 NHSScotland Pension Scheme from 1 April 2015.

What support is available for you?

- **SPPA website** (www.sppa.gov.uk) – arrangements beyond 1 April 2015.
- Working Longer section of the **Scottish Terms and Conditions (STAC) website** (www.stac.scot.nhs.uk/working-longer) – support for employers and employees including Flexible Retirement Hub.

How can you support your staff?

Some staff may feel concerned about their ability to work to a higher age, as this was not part of their retirement plans. You may be able to inform them about the employment practices and policies you have in place that will support them throughout their career, for example flexible working, redeployment, flexible retirement and pension draw down. You can find out more information about the range of flexibilities available within the NHS Pension Scheme, including how they can benefit your organisation and examples of how other organisations are using the flexibilities on the **Working Longer section of the STAC website** (www.stac.scot.nhs.uk/working-longer).

Looking to the future

With a greater number of staff working into their later 60s, you will need to consider what steps you can take to ensure motivation, engagement and productivity of the whole workforce.

Helpful references

Scottish Public Pension Agency (SPPA) (www.sppa.gov.uk)

Scottish Terms and Conditions Committee (www.stac.scot.nhs.uk/working-longer)