

# **NHS Pensions**

## **Retire and return – guide for employers**

## Disclaimer

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It represents the relevant NHS Pension Scheme Regulations and should be treated as a complete and authoritative statement of the law.

No responsibility whatsoever will be assumed by the NHSBSA for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in this guide.

Whilst every attempt is made to ensure the accuracy of the guide, it would be helpful if employers could bring to our attention and perceived errors or omissions by contacting the Stakeholder Engagement Team.

## Background

This guide has been written to assist employers with regards to re-employment following retirement. It provides guidance on eligibility to join the 2015 Scheme after having taken NHS Pension Scheme benefits.

This guide covers:

- changes to retire and return from 1 April 2023
- eligibility to re-join the NHS Pension Scheme for members following retirement
- eligibility to re-join the NHS Pension Scheme for members following ill health retirement
- removal of the maximum service limits
- the 24 hour break requirement
- removal of the 16-hour rule
- the general rules around suspension
- the general rules around abatement.

If you have a query about any of the information provided in this guide, would like us to consider any amendments or providing additional guidance, you should contact the Stakeholder Engagement Team via the contact details provided on our website [Contact NHS Pensions - employers](#).

# Changes to retire and return from 1 April 2023

From 1 April 2023, all retired members will have the option to return to work after a break of at least 24 hours and re-join the 2015 NHS Pension Scheme to earn further benefits.

Under the NHS Pension Scheme before 1 April 2023, members who took their 1995 Section benefits were not allowed to return to the NHS Pension Scheme and build up further pension in the 2015 Scheme if they returned to work.

As the 1995 Section does not have any late retirement factors, if members choose to leave these benefits unclaimed after the normal pension age, they do not increase in value. With all members having been moved to the 2015 Scheme for building up future pension benefits, these rules could cause problems for those who need to carry on working to be able to afford to retire but wish to claim their 1995 Section benefits when they are most valuable.

Therefore, the Department of Health and Social Care (DHSC) is changing the scheme regulations from 1 April 2023 to allow members who take their benefits in the 1995 Section to return to work and build further pension in the 2015 Scheme, if they wish.

This may help some retired staff to bridge the gap between claiming their NHS pension benefits and receiving their State Pension while supporting NHS capacity.

Members who have benefits in the 1995 and 2008 Sections who were non-pensionable before 1 April 2023 because they had exceeded maximum service limits and therefore had to stop contributing, can also join the 2015 Scheme from 1 April 2023 providing they claim their pension benefits in full.

The age limit for 2015 Scheme membership (75 years) still applies from 1 April 2023.

## Partial retirement

From 1 October 2023, the DHSC is introducing changes to partial retirement, sometimes known as 'draw down'.

Partial retirement allows members to claim some of their pension benefits and continue in their job. Members with benefits in the 2008 Section or 2015 Scheme are already able to take partial retirement, and from 1 October 2023 this option will also be available to members with 1995 Section benefits.

From 1 October 2023, members aged 55 will be able to take between 20% and 100% of all their pension benefits in one or two drawdown payments, without having to leave their current job.

Members of the 1995 Section who have a protected minimum pension age of 50 will also be able to claim pension benefits without leaving their job. To do this between the ages of 50 and 55, they'll need to take 100% of their pension benefits. From age 55, they'll be able to take between 20% and 100% of their benefits in one or two payments, without having to leave work.

These changes are being introduced from 1 October 2023. We're aiming to publish more information on the changes, how members can apply for partial retirement and the processes involved by early summer, ready for members to apply to take partial retirement from 1 October 2023.

## Eligibility to re-join the NHS Pension Scheme following retirement

Any member eligible to rejoin the Scheme following retirement will join the 2015 Scheme.

A member will not be eligible to rejoin the NHS Pension Scheme after retirement if they are age 75 or over.

To help you determine whether a member can return to pensionable employment please refer to the flowcharts contained in this document.

More information to help you determine whether a member needs to take a 24 hour break is included later in this guide

## Eligibility to re-join the NHS Pension Scheme following ill-health retirement

Type of ill health pension	Eligibility
Tier 1 Pension	Member can re-join the 2015 Scheme straightaway in respect of any further NHS employment. Whilst the tier 1 pension may remain in payment it will be subject to the abatement rules.
Tier 2 Pension	Member can re-join the 2015 Scheme after a period of one year, beginning with the first day they return to work. This is also the date at which the tier 2 pension will be reduced to a tier 1 pension. The tier 1 pension may remain in payment but will be subject to the abatement rules

A member will not be eligible to re-join the 2015 Scheme if they are age 75 or over.

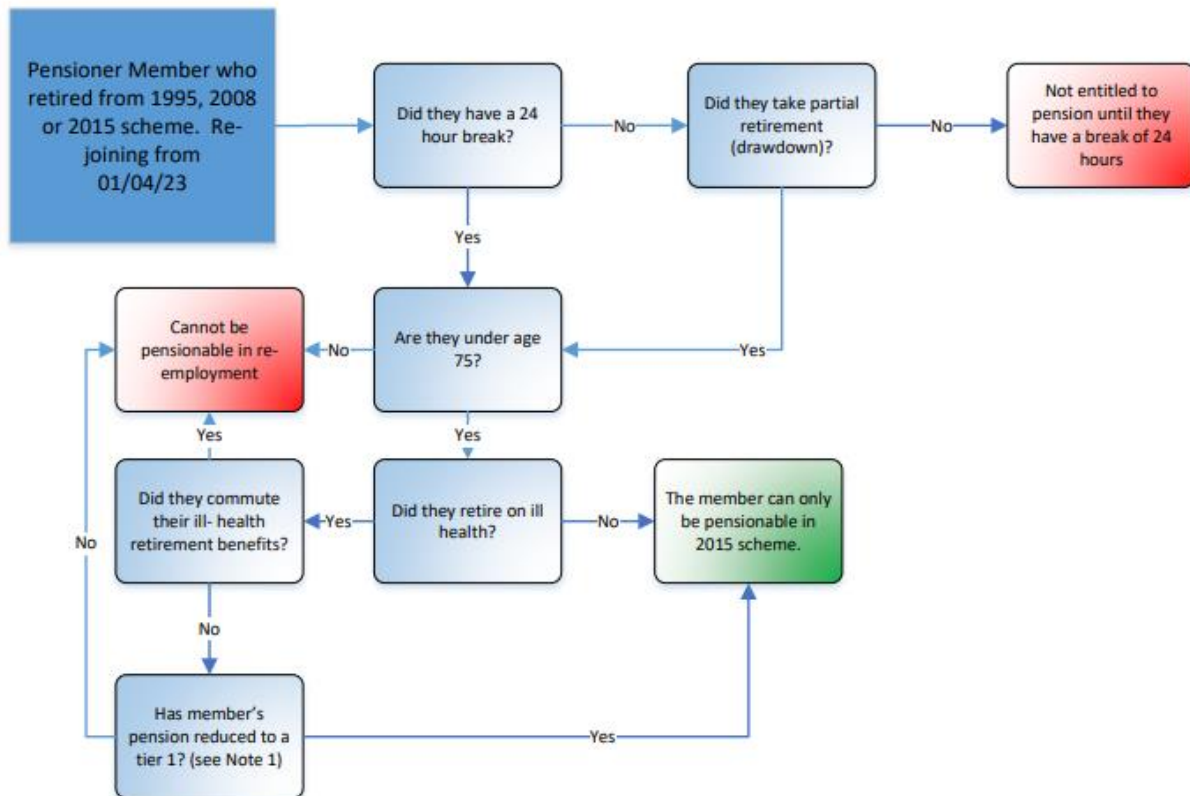
A member will not be eligible to rejoin if they have taken their benefits as a serious ill health lump sum.

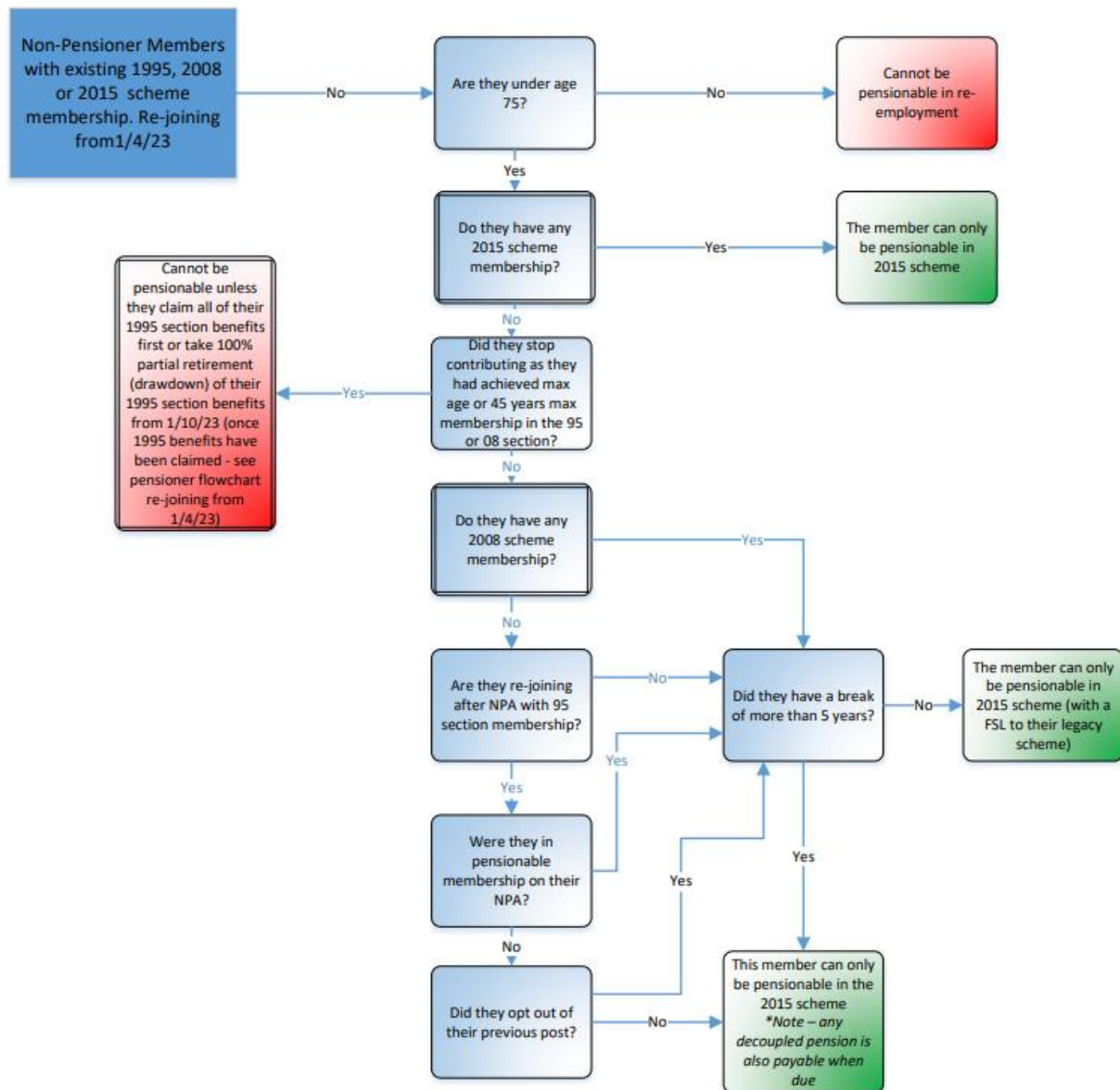
Any member eligible to rejoin the Scheme following ill-health retirement will join the 2015 Scheme.

More information can be found in our ill health guide for employers [include link].

**Flowchart to determine if a member can return to pensionable employment following retirement**

This flowchart should be used if the member is claiming benefits from all Schemes/Sections they have membership in and they have taken a 24 hour break in employment between their last day of pensionable employment and the payable date:





This flowchart should be used if the member is not claiming benefits from all Schemes/Sections they have membership in and has existing deferred 1995/2008 Scheme membership or 2015 Scheme membership.

## Where an eligible member has already returned to work pre 1 April 2023

If a member is newly eligible to join the 2015 Scheme on 1 April 2023, having already returned to work prior to this date, you are not required to enrol them into the scheme. However you must notify all staff, who have taken their benefits from the 1995 Section and returned to work before 1 April 2023, that they are eligible to join the 2015 Scheme from 1 April 2023 if they wish.

As these members will previously have been unable to build up further benefits in the 2015 Scheme, they may have an alternative pension arrangement, for example, the National Employment Savings Trust (NEST), or they may not be contributing to a pension scheme.

If they choose to end their membership to an alternative pension arrangement, for example NEST, and join the 2015 Scheme, they may be able to transfer their benefits from the alternative pension arrangement into the 2015 Scheme. They have 12 months to transfer their benefits after becoming eligible to join the Scheme and must do so before their normal pension age.

You can find more information on our [transferring into the scheme](#) webpage.

## **Removal of maximum service limits**

From 1 April 2023, maximum service limits will be removed.

Members who have benefits in the 1995 and 2008 Sections who have previously been non-pensionable because they have exceeded maximum service limits will be able to join the 2015 Scheme from 1 April 2023 providing they claim their pension benefits in full.

The age limit for 2015 Scheme membership (75 years) still applies.

## **24 hour break rule**

Most members retiring on Age, Voluntary Early Retirement (VER) or where benefits have been deferred must take a 24 hour break in NHS employment/work to access their NHS pension in full.

The 24 hour break normally follows a member's last day of NHS employment.

NHS employment means any post where a member holds an NHS contract, this could also be an approved organisation whether it is pensionable or not.

A member can take their 24 hour break from employment on retirement any day of the week, including the weekend or a bank holiday, regardless of their working contracted hours / regular working pattern.

To satisfy the 24 hour rule a member must terminate their contract of service (i.e. contract of employment), or contract for services if they are a self-employed practitioner or non-GP provider.

Some employers may require members to take more than a 24 hour break following their retirement date dependent upon the terms & conditions of their contract. NHS Pension regulations only require a 24 hour break following the members retirement date.

Practitioners

Practitioner must also take a 24 hour break on retirement.

To do this they must:

- give the contract back to NHS England (if they are the sole holder of the contract)
- give up their shares and be removed from the Limited company (if they are a shareholder)
- resign from the partnership (if they are a partner).

A 24 hour break is not required to claim benefits if any of the following conditions are met:

- Members with separate entitlement (no final salary link) in the 1995/2008 Scheme and the 2015 Scheme, can continue paying into the 2015 Scheme after claiming benefits from the 1995/2008 Scheme and do not need a 24 hour break.
- Members who have deferred pension benefits in the 1995 and/or 2008 Section(s) who have had a break of more than five years (loss of final salary link) may claim their deferred benefits (on a reduced basis) once they reach their minimum pension age or unreduced once they reach their normal pension age for the 1995 or 2008 Section, without having to take a 24 hour break in their NHS employment.
- If the member has concurrent part time posts a 24 hour break must be taken from all posts.
- The member is aged 55 or over and claiming redundancy pension benefits from one post only.
- The member has partially retired through draw down.
- The member has reached the maximum pensionable age of 75 (or, for 1995 Section members, age 70 before 01/04/2008).

## Removal of the 16 hour rule

Members who choose to re-join the NHS following retirement can now work as many hours as they want straightaway.

Scheme regulations prior to the 1 April 2023, meant members of the 1995 Section were limited to working 16 hours a week in the first month after retirement to avoid having their pension payments affected.

The 16-hour rule had previously been suspended due to covid, but it has now been permanently removed from the regulations.



From 1 April 2023, the member must still have a 24-hour break in their contract of employment but can then move into a new contract and re-join the Scheme and start building 2015 Scheme benefits immediately.

As the DHSC is removing the 16-hour rule, they're also changing the 1995 Section regulations to remove the 16-hour rule for members with more than one employment. From 1 April 2023, members with more than one employment will need to take a 24 hour break from all employments to be able to claim their pension.

We currently provide an RE08 (re-employment form) with retirement notice letters. We will remove the RE08 (re-employment form) from retirement notice letters from 1 April 2023 with the exception of ill health and interests of the efficiency of the service (IOE) cases. The form will also remain available on our website for ill health and IOE cases.

## **Abatement**

### **Suspension of abatement for special class and MHO Status**

Abatement for Special Class or Mental Health Officer status is currently suspended until 31 March 2025.

This means Special Class or Mental Health Officer members will be able to return to NHS employment or increase their working commitments without having their pension payments reduced whilst abatement remains suspended.

Once the suspension ends they will be subject to abatement until age 60 under normal circumstances.

Read more about the suspension of abatement [COVID-19 guidance on support for retired members.](#)

For all other member types, the rules on abatement remain unchanged. For more information please read our employer abatement guide.