



## Retirement Policy

Last Updated – December 12, 2011

<b>POLICY RECORD DETAILS</b>		
<b>DATE AGREED:</b>	Last updated December 12, 2011	
<b>VERSION No.</b>	4	
<b>POLICY OWNER:</b>	POLICY AND DIVERSITY MANAGER / BUSINESS PARTNER FOR DIVERSITY EMPLOYEE RELATIONS HUMAN RESPOURCES	<b>JOB TITLE</b> <b>Dept /</b> <b>Directorate</b>
<b>CONTRIBUTORS:</b> <i>(By Job title, department, directorate)</i>		
<b>Policy Owners</b>	As by title above	
<b>HR</b>	Strategic HR Manager and Representatives of HR	
<b>ER</b>	Employee Relations Advisor	
<b>Trade Union</b>	Trade Union Staff Side Chair and representatives	
<b>DATE/S OF PREVIOUS AGREED VERSIONS AND TITLES</b>		
December 12, 2011	The policy was reviewed in July – October 2011 to meet the legislative change to the Default Retirement Age (DRA) on 6 April 2011 and the removal of the default retirement age from 1st October 2011.	
26 July 2010	Reviewed in July 2010 to include new section 5 re Partial Retirement (altering numbering of subsequent sections). To meet Civil Service Pension Schemes provisions in 2009 for scheme members being able to have a part pension / part salary arrangement where partial retirement is agreed between the BL / employee.	
2006	Agreed as a revised Policy to meet new requirements of Age Legislation effective from October 2006.	

	<b>Contents</b>	<b>Page</b>
<b>1</b>	<b>PURPOSE</b>	<b>2</b>
<b>2</b>	<b>SCOPE</b>	<b>2</b>
<b>3</b>	<b>RETIREMENT AGE POLICY</b>	<b>2</b>
	Introduction	<b>2</b>
	Pension Age and Retirement Age	<b>3</b>
	Removal of a Normal Retirement Age	<b>3</b>
	Minimum Retirement Age	<b>4</b>
	Normal Pension Age	<b>4</b>
<b>4</b>	<b>ROLES AND RESPONSIBILTIES</b>	<b>4</b>
<b>5</b>	<b>RETIREMENT PROCEDURE</b>	<b>5</b>

<b>6</b>	<b>OPTIONS FOR RETIREMENT</b>	<b>6</b>
	6.1 Actuarially Reduced Retirement (ARR)	<b>6</b>
	6.7 Partial Retirement	<b>7</b>
<b>7</b>	<b>EARLY DEPARTURE TERMS</b>	<b>9</b>
	7.2 Voluntary Exits	<b>9</b>
	7.3 Voluntary Redundancy	<b>9</b>
	7.4 Compulsory Redundancy	<b>9</b>
<b>8</b>	<b>INEFFICIENCY</b>	<b>10</b>
<b>9</b>	<b>III HEALTH RETIREMENT</b>	<b>10</b>
<b>10</b>	<b>RE-EMPLOYMENT AFTER RETIREMENT</b>	<b>11</b>
<b>11</b>	<b>STATE PENSION</b>	<b>12</b>
<b>12</b>	<b>BENEFITS STATEMENTS</b>	<b>12</b>
<b>13</b>	<b>RESPONSIBILITY</b>	<b>13</b>
<b>APPENDIX 1 - Frequently Asked Questions</b>		
<b>APPENDIX 2 - Partial Retirement form CSP 15</b>		
<b>APPENDIX 3 – III Health Retirement Criteria for member schemes</b>		

## **1. PURPOSE**

- 1.1** This document sets out the Library's retirement policy (and the options available to employees) subject to certain conditions being met, and the process to be followed. It also sets out the responsibilities of line managers and the Library to ensure compliance with relevant legislation and Principal Civil Service Pension Scheme (PCSPS) rules.

## **2. SCOPE**

- 2.1** This policy applies to all employees directly employed by the British Library.
- 2.2** Included within this Policy is a summary of the Library's understanding of the position under the relevant pension scheme rules. This information has been obtained from the scheme rules and guidance. It is not intended to be a definitive statement of the scheme rules or guidance but is simply intended to assist employees to understand the rules and what their options may be. Employees are advised to consult the pension scheme rules and guidance themselves and to seek clarification from the pension scheme administrator about their options, and/or to take their own independent advice on pensions and related issues.

## **3. RETIREMENT AGE POLICY**

### **Introduction**

- 3.1** The Employment Equality (Age) Regulations 2006 took effect from 1 October 2006 which resulted in the raising of the Library's normal retirement age to 65, in

keeping with the Regulations which provided for a default retirement age of 65.

- 3.2** In April 2011, the Default Retirement Age (DRA) UK legislation provisions changed and the default retirement age of 65 was removed altogether, leaving no compulsory retirement age. It remains open to employers to implement their own compulsory retirement age in certain circumstances.

**N.B** – this does not affect the pension age provisions which are separate provisions to the retirement age e.g. if there is a provision in an employee's pension scheme to retire between 60 and 65, they can still choose to do so. Equally the provision for partial retirement is still applicable.

- Retirement policy is administered by Human Resources on behalf of the Library, and any queries concerning policy should be addressed to them.
- Superannuation Benefits are administered by My Civil Service Pension (MyCSP), under the management of our Payroll Section.
- Details of the PCSPS are available from the Civil Service Pensions website at <http://www.civilservice.gov.uk/my-civil-service/pensions/> and/or from the Library's pensions administrator, MyCSP, who may be contacted at [APAC.DWPCONTRACTS@DWP.GSI.GOV.UK](mailto:APAC.DWPCONTRACTS@DWP.GSI.GOV.UK) or via their helpline on 0845 606 2604. Hard copies of the relevant scheme can be found on the Civil Service Pension website.
- MyCSP notify Capita Hartshead who initiate and maintain pension payments for British Library staff.

For the purposes of this policy, the use of the term "member" should be understood as meaning a member of the PCSPS.

### **Pension Age and Retirement Age**

- 3.3** It is important for clarity to distinguish between a pension age and a retirement age. The two are separate.

- The Pension age - is the age at which the employee's pension benefits can begin to be paid without reduction. Details of benefits available, together with qualifying rules, are available from the Civil Service Pensions website (see above at 3.1)
- Retirement age – this is the age at which the employee stops working. From 1 October 2011, the Library no longer has a compulsory retirement age of 65. This is because the default retirement age of 65 will now no longer be in force.

### **Removal of a Normal Retirement Age**

- 3.4** From 1 October 2011, the National Default Retirement Age of 65 was removed. The Library previously had 65 as the "Normal Retirement Age" for all Library staff, (this being the age at which an individual retired unless granted an extension of service). This has now been removed. There is still a provision in law for an employer to have in place a compulsory retirement age (referred to as an "Employers Justified Retirement Age"). A compulsory retirement age may be implemented in relation to particular roles or across the entire organisation but only

if and when there is a legitimate business need and the use of a compulsory retirement age can be justified as a way of implementing the need or aim.

- 3.5** Currently, within the Library there is no envisaged requirement for a compulsory retirement age and employees will be able to continue to work until such time as they wish to retire (subject to the Library's normal right to terminate employment for example, on the grounds of ill health or redundancy).

**N.B.** The new regulations provide that the employer can implement a retirement age in certain circumstances. In the future if a justifiable need for a compulsory retirement age is identified within the Library, then the Library would apply the same or similar process to that used to manage the implementation of the default retirement age of 65 arrangements between October 1, 2006 and 30 September 2011 as best practice, and would consult with Trade Union Side in accordance with the Industrial Relations Framework.

### **Minimum Retirement Age**

- 3.6** Under the PCSPS, the **Minimum Retirement Age** is the earliest age at which the individual can retire and draw the PCSPS. Under the PCSPS, the **Minimum Retirement Age** for members of Classic, Classic Plus and Premium is 50 years and 55 years for members of Nuvos.<sup>1</sup>
- 3.7** However, for a small group of members of the PCSPS who joined any of the schemes from a by-analogy organisation on or after 6 April 2006 this may be 55 years. Members upon reaching minimum retirement age for their scheme may retire but their pension will be reduced. (See section 5.2 which covers conditions for this).

### **Normal Pension Age**

- 3.8** On reaching Normal Pension Age (60 for members of the Classic, Classic Plus and Premium pension schemes and 65 for members of Nuvos) any employee may retire and receive their superannuation award without reduction.
- 3.9** If an employee chooses to leave before their Normal Pension Age, this will be treated as a resignation by the British Library and the employee will be required to give the appropriate notice in accordance with Section B Part III (Leaving the Library) of the Staff Handbook.

## **4 ROLES AND RESPONSIBILITIES**

- 4.1** Employees referred to within the scope of this policy are required to:
- consider their retirement options in good time and plan effectively for their retirement. This includes arranging to take all outstanding annual leave before their retirement date;
  - discuss their retirement intentions with their line manager so they can assist the employee with options and information and undertake workforce planning;
  - consider attending pre-retirement training to help prepare for retirement when advertised by Human Resources.

---

<sup>1</sup> There is also a state pension age to take into account which is likely to have different provisions according to the Governments policy.

**4.2** All line managers are required to:

- meet with the employee who has notified them of their intention to retire, to discuss options and leaving terms where appropriate;
- consider any request for partial retirement;
- ensure employees looking to retire have access to information and consider pre-retirement workshops, to help prepare for retirement.

**5. RETIREMENT PROCEDURE**

**5.1** There is no mandatory default retirement age and currently employees have the flexibility to choose to retire with a pension at any time after they reach minimum pension age (50 for Classic, Premium and Classic Plus members and for Nuvos 55). (See Section 3.3). On reaching normal pension age (60 for members of the Classic, Classic Plus, Premium pension schemes and 65 for members of Nuvos) the Library will assume that employees want to continue working until such time as employees decide to retire unless the Library is notified otherwise in writing.

**5.2** All employees must meet the normal standards of efficiency, conduct, performance and attendance, irrespective of age.

**5.3** The process of taking retirement is two-way between the employee and the line manager but will also involve interaction with Human Resources, Payroll and the Library's pension administrator, MyCSP.

**5.4** Line managers and all employees irrespective of age should have regular meetings, as part of the performance annual review process or at any other appropriate meeting, to discuss short, medium and long term plans. This type of conversation will assist with workforce and career planning and may include discussions concerning future plans. Employees are advised to plan well in advance for their retirement and the inevitable changes in circumstance which that will bring.

**5.5** One of the important factors in making a decision as to when to retire will be the amount of pension benefits an employee will be entitled to receive once they have retired. The annual pension benefit statement will give a projection of the amount an employee will receive once they have retired. If an employee wants to receive an in-year pension benefit estimate they should contact MyCSP. However, there is no guarantee that MyCSP will be able to process another pension estimate.

**5.6** If an employee decides to retire and has continued their employment beyond normal pension age, the Library will need to have reasonable advance warning of their intention to retire.

**5.7** All employees, are required to give appropriate notice in accordance with Section B, Part III (Leaving the Library) of the Staff Handbook. However, employees are requested to give a **minimum of 12 weeks' notice** in order for benefits to be processed under the PCSPS in time. Members should therefore be aware that the contractual notice they are required to give on resignation may well be less than 12 weeks', but if they give less than 12 weeks' notice of leaving, payment of benefits will be delayed. The line manager should send the resignation letter to Human Resources and complete a Staff Changes form and/or Annual Leave position form and send it to the appropriate departments.

- 5.8** Once notification of retirement is provided to Human Resources, they will notify Payroll, who will forward details to MyCSP so they can initiate the quotation process. The amount of pension awarded is calculated using the employee's pensionable earnings and length of reckonable service.
- 5.9** The handling and processing of the pension arrangements is mainly the responsibility of MyCSP. Since rules vary from scheme to scheme and also the employee's individual circumstances vary (such as length of time in the pension fund, contribution levels, age etc) there will need to be liaison with MyCSP.
- 5.10** MyCSP will send a quotation of the retirement award payable to the retiring member, together with other general retirement information and a personal details form, approximately 20 days after receiving the retirement date details from Payroll. The individual is required to complete and return the personal details form to MyCSP if they want to retire at this stage. This is to confirm address details after retirement and bank/building society details of the account that the pension is to be paid into. The prompt completion and return of this form is important to ensure that benefits are paid on time. A delay in returning the form could lead to a delay in payment being made.
- 5.11** Once the completed personal details form is received by MyCSP they notify Capita Hartshead who initiate and maintain pension payments for British Library staff. Any lump sum payment will be paid as close as possible after the last day of service directly to a bank or building society account, as long as the required notice has been given (See section 5.7). The pension payment dates vary, they are not necessarily on the last day of the month.

## **6. OPTIONS FOR RETIREMENT**

### **Actuarially Reduced Retirement (ARR)**

- 6.1** Actuarially Reduced Retirement is available to all employees aged between 50 and 60 depending on the minimum pension age of their scheme (see section 3.8). Employees in the Classic and Classic Plus schemes who retire before pension age will have their pension actuarially reduced by approximately 5% for each year prior to the age of 60 (the pension age) that the award is put into payment by PCSPS. The Lump Sum is also reduced by approximately 5% per year in the same manner. This reduction is required because the award is likely to be in payment longer than it would have been had the member taken benefits at 60.
- 6.2** There are two conditions to the availability of ARR.
- Employees must have two years qualifying service or have transferred pension rights into Classic, Classic Plus, Premium from another personal pension and:
  - Employees cannot have an ARR if it would be less than the amount needed to pay your Guaranteed Minimum Pension (GMP)<sup>2</sup> at State Pension age.

---

<sup>2</sup> Guaranteed Minimum Pension (GMP) is the benefit a defined contracted out occupational pension scheme must provide to match the additional pension an individual would have earned from the state pension.

- 6.3** Payroll Section will check both requirements are met and advise members whether ARR can proceed or not.
- 6.4** For employees in the Nuvos and Premium schemes who retire before normal pension age their pension will be actuarially reduced. The reduction will typically be 5% for each year before pension age. For employees who buy in added pension this will also be actuarially reduced. **For members** of the Nuvos and Premium schemes on receiving ARR the pension will be reduced for life and it will not go up to the full rate once an individual reaches pension age.
- 6.5** In most cases, and provided the above conditions are satisfied, three months notice should be given of the intention to take ARR. However, it may be possible to arrange an earlier retirement date, by agreement between the employee and the line manager. This may have an impact on the timing of payments (See Section 5.8).

### **Partial Retirement**

- 6.6** The Library recognises that in some instances, employees may want to make a gradual move from work into retirement rather than moving straight from full-time work to full-time retirement. This may mean working part-time in their current role and having their job reshaped. For this reason employees can apply to their line manager for partial retirement, and the Library can consider whether this is appropriate and feasible.
- 6.7** In terms of pension arrangements, to help facilitate partial retirement the PCSPS has made provision for scheme members (Classic, Classic Plus, Premium and Nuvos), to have a combination of earnings and pension for a transitional period before an employee decides to retire, where partial retirement is agreed between the Library and an employee. (Partial retirement is not restricted to employees over pension age but may be unsuitable for those below pension age for their scheme).
- 6.8** There are conditions to this partial retirement aspect of the pension schemes, for instance, PCSPS will only allow the employee the opportunity to draw on their Civil Service pension and continue working as long as the employee has:
- formally arranged with the Library to reduce their pensionable earnings permanently by at least 20% by agreeing a reshape of their job (e.g. from a reduction in hours or a change in job content that lead to a reduction in grade). The employee and the Library should expect the job reshaping to be a permanent change to an employee's terms and conditions of employment which will apply through to retirement unless agreed otherwise.
  - a reduced salary and pension that combined does not exceed what the employee was earning before the change. If the employee is already a part-time employee, the total of further reduced part-time salary and pension combined cannot exceed their previous part-time salary.
  - submitted an application to take partial retirement pension no later than 3 months after reshaping their job.
  - only opted for partial retirement this once, and;
  - taken sufficient pension to cover any other pension scheme requirements where applicable (e.g. such as Guaranteed Minimum Pension (GMP) and / or

sufficient lump sum to cover any “Widow (er) Pension Scheme liability” (classic members).

- 6.9** The handling and processing of the pension arrangements is mainly the responsibility of MyCSP. Since rules vary from scheme to scheme and also the employee’s individual circumstances vary (such as length of time in the pension fund, contribution levels, age etc) there will need to be liaison with MyCSP. The employee also needs to view all relevant documents and guidance on the Civil Service Pension Scheme website at <http://www.civilservicepensionscheme.org.uk/> such as *Partial Retirement – A Guide for Scheme Members - Civil Service Pensions*; and a *Partial Retirement Questions and Answers* booklet.
- 6.10** Since deciding to partially retire will affect the employee’s income whilst partially retired and also when fully retired, it is important that employees read the partial retirement pension scheme documents available in order to understand the full requirements, conditions and implications. There is also a calculator on the Civil Service Pensions Scheme website to help in understanding financial implications and MyCSP should be able to assist if the employee needs to know more about this.<sup>3</sup>
- 6.11** To arrange consideration of a reshape of their job / partial retirement with the Library, the employee needs to raise this initially with their line manager well in advance of any decision so that consideration can be given. The manager will need to discuss this with an appropriate senior manager (SB level) and to ensure that this is feasible and/or appropriate taking into account the business needs of the Library. (The employee also needs to allow themselves sufficient time to consider all the information about the implications before any potential change takes place). If the resulting decision is:
- that it is not feasible to reshape the role – then partial retirement will not be available.
  - reshaping is approved – then the partial retirement process is set in motion.
- 6.12** Once the partial retirement is approved by the Library, including how and when the job can be reshaped, the employee needs to complete form CSP 15 – (see Appendix 2). This form must be submitted via the appropriate senior manager (SB level) and sent to HR Administration via the relevant HR Business Partner for authorisation.
- 6.13** The CSP 15 Form also serves to authorise MyCSP to give the employee a partial retirement pension quote. The employee needs to decide if they want to take any pension and related lump sum and if so, how much. The employee will need to liaise with MyCSP throughout this process since it is important that the employee is

---

<sup>3</sup> For instance employees need to know.

- That partial retirement isn’t restricted to people over pension age but an early payment before pension age (60 in all schemes but Nuvos which is 65) will reduce pension permanently and is thus unlikely to be attractive to people who are much younger than the scheme’s pension age.
- If the employee is in a final salary scheme, they need to understand the effect that partial retirement can have on their final pension as well as the immediate impact on their income
- That any pension taken will be potentially subject to “abatement” which is the reduction or suspension of their pension and applies if their pension plus new pay is bigger than their “salary of reference” (earning prior to partial retirement). In some instances, the deficit from abatement to the pension can be made up all or in part, by working a significant number of years after taking partial retirement.

sure that they understand the effect that partial retirement may have on their final pension as well as the immediate impact on their income.

- 6.14 The employee must (by scheme rules) give at least 3 months notice of the agreed arrangements (e.g. of starting their re-shaped job) to the pensions administrator and provider to secure receipt of this pension and to ensure that it is paid to a specific timescale. The pension will generally be backdated to the date the employee changed their job.
- 6.15 During the period between partial and final retirement the employee will be treated partly as an active scheme member and partly as a pensioner member.
- 6.16 As employees carry on working they will usually build up further pension before they finally retire. Pension and lump sum will be recalculated when they take their final retirement and at this point reckonable service will be reduced to reflect the pension already taken.

## 7 EARLY DEPARTURE TERMS

- 7.1 There are three categories of early departure under the Civil Service Compensation Scheme. The categories are detailed below.
- 7.2 **Voluntary Exit terms** can be offered in the interests of workforce efficiency and where the Library wishes to reduce its workforce, to support organisational change, address promotion blockages and where there is limited efficiency. All offers of voluntary exit may be accepted or refused at the employee's discretion, no element of compulsion is involved.
- 7.3 **Voluntary Redundancy terms** must be offered where the Library has begun formal consultation with the Unions about possible redundancies. Voluntary Redundancy must be offered to all employees at risk of redundancy under that consultation. Cabinet Office approval will be required and all approved Voluntary Redundancy schemes will be given a scheme identifier. There is no compulsion on staff to apply for Voluntary Redundancy at this stage but they must be aware they could be made compulsorily redundant at a later stage of the same scheme. However, if an employee applies but does not initially meet their employer's criteria for release, they cannot be subject to compulsory redundancy terms at a later stage of that redundancy exercise, although they can still be made compulsory redundant. Staff in this position will be entitled to the voluntary redundancy terms.
- 7.4 **Compulsory Redundancy terms** can only be offered to employees as were included in the preceding Voluntary Redundancy Scheme. The scheme identifier for the Compulsory Redundancy Scheme will therefore be linked to a specific scheme identifier for the Voluntary Redundancy Scheme. Any employee who was turned down for voluntary redundancy and is later selected for compulsory redundancy, under the scheme linked to the preceding Voluntary Redundancy scheme, will receive the voluntary redundancy terms. This protection does not extend to any later Compulsory Redundancy Schemes unless the individual has volunteered for the relevant preceding Voluntary Redundancy Scheme.
  - Decisions on the launch of any scheme are made by the Executive Team with approval from the Cabinet Office. Details of these arrangements will be managed through the Restructuring, Redeployment and Redundancy Policy.

- Details of the PCSPS early departure terms are available from the Civil Service Pensions website at <http://www.civilservicepensionscheme.org.uk/civil-service-compensation-scheme/>

## **8. INEFFICIENCY**

- 8.1** An employee may be dismissed for inefficiency/capability where performance or attendance is not satisfactory and medical retirement is inappropriate. (Refer to Capability and Inefficiency Policy). Once there is a decision to dismiss an employee on the grounds of inefficiency the Library will have to determine whether compensation should be paid and how much in accordance with Personnel Information Note (PIN 40).
- 8.2** Recent changes to the Civil Service Compensation Scheme has had two impacts:
- The maximum compensation payment is capped at 12 months pay.
  - Classic members aged 55 and over who receive maximum compensation can opt to receive an immediate unreduced pension. This is provided the cost under the actuarial buyout calculator exceeds 12 months pay. Their pension benefits will be preserved and they will receive the lump sum compensation payment.

## **9. ILL HEALTH RETIREMENT**

- 9.1** Before applications for ill-health retirement can be made the Library will have investigated ways of helping the employee return to work and/or stay in employment. In most cases the Library's Occupational Health Advisors will have made recommendations which should be considered for implementation. Applications for ill-health retirement may only be made following a referral to the Library's Occupational Health Advisers. Human Resources are responsible for all referrals to the Occupational Health Advisers. There are eligibility and qualifying service conditions for ill health retirement that a member of a particular scheme would need to meet in order to be considered. (See Appendix 3) If a member of staff believes that they should have been referred and this has not happened, they may invoke the Library's Grievance policy.
- 9.2** Ill-health Retirement applications are made through the Scheme Medical Adviser via Human Resources. Decisions on eligibility for ill-health retirement under the PCSPS operated by the Library are made by the Scheme's Medical Adviser. For details on the PCSPS rules and processes please visit their [website](#).
- 9.3** If the Scheme Medical Advisor supports ill health retirement and based on the advice given the Library approves ill-health retirement, the employee will be informed of the outcome by Human Resources as soon as possible. The Scheme Medical Advisor will issue a certificate that is valid for 4 months and 10 days. The last day of service for employees must be within the 4 month and 10 day period. In all cases Human Resources will give the employee available details of the Scheme Medical advice and inform them of their appeal rights.
- 9.4** If ill-health retirement is declined the employee will still have the right to appeal against the decision within the specific time limits, even if they have been dismissed in the meantime. For details on the PCSPS rules and process please visit their [website](#). (See Medical Reviews and Appeals Guide). If the employee is

not satisfied with the Library's decision not to grant ill health retirement they can invoke the Grievance Policy.

- 9.5** For members of classic, classic plus or premium, there is no enhancement of pension benefits once the member has reached or is over scheme pension age. Therefore, no medical assessment or certificate is required if the person has to retire due to ill health on or after the age of 60. Members of the nuvos scheme can receive enhanced pension benefits up to age of 65 if the employee has between 2 and 5 years qualifying service or ten or more year's reckonable service. Therefore, if the employee continues to work beyond 60 but needs to retire on medical grounds before age 65, they are eligible to apply for medical retirement but in order to be medically retired would need to be supported by a medical assessment and certificate from the Scheme Medical Adviser. (see Appendix 3).
- 9.6** Members of nuvos scheme are eligible to apply for ill health retirement and enhanced benefits up to age of 65 if they have two or more year's service (including any service they have brought in from a previous scheme). Ill health retirement would need to be supported by a medical assessment and certificate from the Scheme Medical Adviser.

## **10 RE-EMPLOYMENT AFTER RETIREMENT**

- 10.1** Employees who reach the minimum pension retirement age for the Civil Service Pension Scheme and retire, or retire at the normal retirement age may be re-employed. This is dependent on satisfactory performance, attendance and the availability of a vacant post. However, if it is in the Library's interest, staff may be re-employed after reaching their Pension Retirement Age, usually on a casual or fee-paid basis, in which case, such extra service would not reckon for superannuation purposes.
- 10.2** However, if directly employed by the Library their pension may be reduced (abated):
- Members of the Classic scheme should be aware they cannot re-join the Classic pension. However, they may be eligible to join another scheme.
  - Exceptionally, those individuals who joined Classic Plus can re-join Classic Plus if re-employed by the Library within 28 days of leaving the organisation. This does not include people who left on compensation terms.
  - Members of the Nuvos pension scheme will have their pensions abated if the annual rate of pensionable earnings and the pension come to more than their pensionable earnings in the twelve months immediately before the pension came into payment.
  - Members of Premium schemes who are re-employed by the Library after they have drawn their pension, may have it reduced. They will not be able to join the Premium scheme on re-employment.
  - Members who seek re-employment with organisations who participate in the civil service pensions arrangements should contact their pension administrator or <http://www.civilservicepensionscheme.org.uk/> for information on the impact of the pension.

- 10.3** Employees may be re-employed on a fee-paid basis, in which case their pension will not be abated, unless their fees exceed the Annual Earnings Margin, calculated by the Payroll Section. This is to comply with the general principle that re-employed pensioners may not earn more, by way of pension and re-employed salary, than they were receiving in salary on their last day of pre-retirement service. Fee-paid service is not pensionable, and therefore no adjustment to a superannuation award will be due.
- 10.4** However, any former British Library employee cannot be engaged as a consultant (including fee-paid), except where express approval has been granted by the Chief Executive. This is for a number of reasons which include early retirement / severance packages and HM Revenue and Customs issues.
- 10.5** Should any former British Library employee seek to be reemployed by the British Library after receiving voluntary exit or redundancy, re-employment will only be considered by the Library should the post they are applying for require specialist skills or have a business case approved by the Chief Executive to support re-employment.
- 10.6** Employees re-employed on a casual basis may find their pension partly or wholly abated, while they are so employed, in order to comply with the general principle detailed in paragraph 6.2 above. Casual service is also not pensionable, so no adjustment to the superannuation award will be required on completion of such service.
- 10.7** Any employee re-employed after retirement will result in Payroll section completing a CSP13 form to forward to Capita Hartshead. Capita Hartshead will use this form to determine abatement and will advise staff directly of their decision.

## **11. STATE PENSION**

- 11.1** The State Pension is due when an individual reaches state retirement age. This is currently age 65 for men and is increasing from 60 to 65 from April 2010 for women. This affects women born on or after 6 April 1950. The Government has published new proposals for increasing the State pension age to 66. However, the government is also considering the current timetable for future increases to the State Pension age from 66 to 68.
- 11.2** When an individual reaches State pension age, the pensions increases relating to their guaranteed minimum pension is paid with their State pension. Also at State pension age, national insurance modification will take effect for people with service before 1 April 1980. For more details about paying pension increases and national insurance increases queries should be referred to the Library's pension administrator, MyCSP.
- 11.3** Estimates of state pension benefits can be obtained from the Department for Work and Pensions (DWP), by completing form BR19, available from local DWP offices (formerly DSS), or online at:  
[http://www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/StatePensionforecast/DG\\_10014008](http://www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/StatePensionforecast/DG_10014008)

## **12. BENEFIT STATEMENTS**

- 12.1** Benefit statements from MyCSP are provided annually giving an estimate of likely award to employees in Classic, Classic Plus, Premium and Nuvos schemes. If an employee is in a partnership scheme the statement will come from their chosen

pension provider. Estimates are calculated using the service projected to pension Retirement Age and will use current salary.

### **13. RESPONSIBILITY.**

- 13.1** The Retirement policy is administered by Human Resources, and any queries concerning the policy should be addressed to them. Superannuation Benefits are administered by (MyCSP), under the management of the Payroll Section. Details of the PCSPS are available from the Civil Service Pensions website at <http://www.civilservicepensionscheme.org.uk/> and/or from the Library's pensions administrator, (MyCSP), who may be contacted at [APAC.DWPCONTRACTS@DWP.GSI.GOV.UK](mailto:APAC.DWPCONTRACTS@DWP.GSI.GOV.UK) or via their helpline on 0845 606 2604.
- 13.2** Human Resources is responsible for ensuring the maintenance, regular review and updating of this policy. Proposed changes to this policy will follow the process as described in Section A: Introduction: Paragraph 1.1 of this Staff Handbook.
- 13.3** The PCSPS rules referred to in this policy are outside of the control of the British Library, but may be updated from time to time.

## **Appendix 1 - Frequently Asked Questions**

### **Q1. What does the removal of the Default Retirement Age mean?**

A. The removal of the Default Retirement Age (DRA) means the non-mandatory retirement age of 65 will cease to exist. With the removal of a retirement age, staff will be able to continue to work beyond the pension age until such time as they wish to retire (as explained in section 5 of Retirement Procedure in the policy). However a pensionable age will continue to exist - see [FAQ 2](#).

### **Q2. What is the meant by the term “Pension Age”?**

A. The Principal Civil Service Pension Scheme (PCSPS) outlines the “pension age” as being the point or age at which the employee's pension benefits can begin to be paid. Details of benefits available, together with qualifying rules, are available from the Civil Service Pensions website.

### **Q3. Can I still leave on my ‘normal’ retirement date (previously the Default Retirement Age of 65)?**

A. Although there is no longer a default retirement age (organisational ‘normal’ retirement age) of 65 you can still retire at 65 the legislation simply removes any compulsion for you to cease employment at a specific age.

### **Q4. Will I be notified of my right to work beyond 65?**

A. No. The new expectation will be that individuals will continue working beyond 65 if they choose and that they notify the Library of their intention to retire including a formal letter of resignation to their line manager.

### **Q5. What if I want to retire?**

A. You should discuss your intention to retire with your manager as early as possible in your deliberations, but certainly when you have made a definite decision. Once you have made your decision a letter outlining your intention to retire giving your contractual period of notice, sent to your line manager, will be sufficient. However, all employees are expected to give their resignation at least 12 weeks notice in writing to their line manager. This notice will ensure that arrangements can be made for pension and superannuation lump sum to be paid on time.

### **Q6. Will my pension be enhanced by working longer?**

A. Yes, if you continue working for the Library over the minimum pension age as set out under your scheme’s rule. However, there is a maximum amount of reckonable service as out laid in the PCSPS rules. Details of PCSPS are available from the Civil Service Pensions website at <http://www.civilservicepensionscheme.org.uk> and/or from the Library's pensions administrator MyCSP, who may be contacted at [APAC.DWPCONTRACTS@DWP.GSI.GOV.UK](mailto:APAC.DWPCONTRACTS@DWP.GSI.GOV.UK) or via their helpline on 0845 606 2604.

**Q7. What happens if I am on a fixed term contract?**

**A.** Should you wish to retire prior to the end of your current fixed term contract, you will be managed in the same way as any other person on an indefinite contract. You will need to inform your line manager in writing that you wish to resign giving appropriate notice accordingly.

**Q8. Can my manager ask an older worker about their intentions with regard to retirement?**

**A.** Yes, as part of the annual review process or at any other appropriate meeting and irrespective of age, your line manager may ask about employees about their short, medium and long term career plans irrespective of age. This type of conversation will assist with workforce planning, career planning and may include discussions concerning future plans. Line managers may reasonably want to know about an employee's future aims and aspirations. It is best to approach the discussion in a general way, perhaps asking about future plans or how they see themselves developing in the organisation. Once an employee has indicated that they do wish to retire then there is no problem talking to them about the date for their retirement and any adjustments they may wish to make to their working arrangements in the lead up to retirement

**Q9. If I have said I want to retire can I change my mind?**

**A.** Yes – until the point at which you submit in writing your intention to retire, providing your contractual notice period and leave date. Once you have submitted your resignation/retirement letter, the Library is under no obligation to allow you to continue working beyond your stated leave date.

**Q10. Can I take partial retirement?**

**A.** Yes, you can request to take partial retirement. The Library recognises that in some instances, employees may wish to look at the possibility of making a gradual move into retirement rather than moving straight from full-time work to full-time retirement. For this reason employees can apply to their line manager for partial retirement so that the Library can consider this where appropriate and feasible. However, certain conditions as outlined by the PCSPS have to be fulfilled See Section 6.7 in the policy.

**Q11. If the Library no longer has a retirement age, will I be expected to perform the same duties to the same standard?**

**A.** Yes, if you stay on in the same role you will be expected to perform the same duties and performance requirement to the same standards. There will be no change to your contractual obligations unless you have requested and have agreed flexible/different working arrangements with your line manager. If you change role or go part-time you will be expected to perform the duties associated with the role to the standards and performance expectations expected by the Library.

**Q12. Can the Library still have a retirement age under the new legislation?**

**A.** Employers can, in particular circumstances, still have a retirement age for their organisation which would need to be objectively justified and approved. Currently, within the Library there is no envisaged requirement for an organisational normal retirement age.

**Q13. A member of my team has told me that they wish to retire. How can I help them plan for their retirement?**

**A:** The Library periodically arranges Retirement Workshops. Look out for forthcoming dates, or contact the HR department for future dates. Once formal notice has been given, please make sure the HR department are aware so that any necessary pension arrangements can be put into place as soon as possible. Employees can also view the Consumer Financial Education Body website “Making the most of your money”. CFEBS website is at <http://www.cfebuk.org.uk/>.

**Q14. Can my pension administrator give me advice on my pension options?**

**A.** No, the pensions scheme administrator cannot give you advice. If you need advice you should contact an Independent Financial Adviser (IFA). A number of membership organisations provide access to financial advice, or you can find an adviser in your area on [www.unbiased.co.uk](http://www.unbiased.co.uk)

**N.B. Pensions tax relief**

The rules governing tax relief on pensions have changed from 6 April 2011, to apply in the tax year 2011-12. The changes restrict tax relief to the most highly paid.

The Annual Allowance limit will be reduced from £255,000 a year to £50,000 a year. The HM Revenue and Customs website contains guidance and details of how the rules apply. [www.hmrc.gov.uk/pensionschemes](http://www.hmrc.gov.uk/pensionschemes) Pensions tax relief – changes

## Appendix 2 – Retirement Policy

### CSP 15

#### APPLICATION FOR JOB RESHAPING AND PARTIAL RETIREMENT QUOTE

<b>Section 1 About you</b> Please fill in Sections 1-3 and pass the form to your employer for authorisation (your HR section will be able to advise you where you should send it to).				
Name:		National Insurance Number:		
Date of birth:		Phone number for queries:		
Your pension scheme (please tick)	<b>classic</b>	<b>premium</b>	<b>classic plus</b>	<b>nuvos</b>
We will send you a partial retirement quote if you are over minimum pension age, but you don't have to take any of your pension if you do not want to.				
Where do you want us to send your quote? (please state address)				
<b>Section 2: Your current job</b>				
Employer:		Job title/description:		
Your current work pattern:	Full-time	Part-time (please give details of hours worked)		
Planned end date of current job:				
<b>Section 3: Your reshaped job</b>				
Employer:		Job title/description:		
Your new work pattern:	Full-time	Part-time (please give details of hours worked)		
Planned start date of reshaped job:				
<b>I wish to reshape my job as detailed above. I have read the booklet "Partial Retirement – a guide for scheme members", and have looked at the calculator on the Civil Service Pensions website to see what the financial implications might be.</b>				
Signed:		Date:		

<b>Section 4: Employer Authorisation</b>			
I Confirm: <ul style="list-style-type: none"> <li>• That the details shown for the current and reshaped jobs are correct;</li> <li>• That the member's annual rate of salary and permanent pensionable earnings will be reduced by at least 20% and I have provided full details in Section 5 overleaf; and</li> <li>• That the job reshaping is intended as a permanent change.</li> </ul>			
I represent (please tick)	The current employer	The new employer	Both current and new employers
Confirmation provided by:			
Name:		Role:	
Date:		Phone Number:	
Email:			

Section 5: Employer confirmation of current earnings and details of reshaped job	
Current job	
Total annual rate of actual salary and permanent pensionable allowances:	£
<b>Reshaped job</b>	
Start date:	
Salary (annual full-time rate):	£
Salary (annual part-time rate – if appropriate)	£
Permanent pensionable allowances (annual full-time rate)	£
Permanent pensionable allowances (annual part-time rate – if appropriate)	£
Total annual rate of actual salary and permanent pensionable allowances: (should be 20% less than for current job)	£
<b>For Pensions Division use only</b>	
Member reference:	Date quote sent: By (name):
Date award completed (if appropriate):	
Comments	

**Appendix - 3 Qualifying Criteria for Ill Health Retirement by Scheme**  
 (EPN 304 ILL Health Retirement Procedures)

Length of service	Age	Classic	Classic Plus/Premium	Nuvos
Less than 2 years	Any age	No referral – can proceed to dismissal	No referral – can proceed to dismissal	No referral – can proceed to dismissal, <b>but see note * below</b>
Between 2 and 5 years	Under age 60	Can refer	Can refer	Can refer
	Between 60 and 65	No referral – can proceed to dismissal	No referral – can proceed to dismissal	Can refer
	65 and over	No referral – can proceed to dismissal	No referral – can proceed to dismissal	No referral – can proceed to dismissal
Between 5 and 10 years	Under age 60	Can refer	Can refer	Can refer
	Between 60 and 65	Can refer	No referral – can proceed to dismissal	Can refer
	65 and over	No referral – can proceed to dismissal	No referral – can proceed to dismissal	No referral – can proceed to dismissal
Between 10 and 20 years	Under age 60	Can refer	Can refer	Can refer
	Between 60 and 65	Can refer	No referral – can proceed to dismissal	Can refer
	65 and over	No referral – can proceed to dismissal	No referral – can proceed to dismissal	No referral – can proceed to dismissal
20 years and over	Under age 60	Can refer	Can refer	Can refer
	Between 60 and 65	No referral – can proceed to dismissal	No referral – can proceed to dismissal	Can refer
	65 and over	No referral – can proceed to dismissal	No referral – can proceed to dismissal	No referral – can proceed to dismissal

\* Nuvos members who have brought in pension from a previous/private pension scheme will already satisfy the length of service criteria.