Guidance for Managing Partial Retirement

The following information provides a few examples of how non-pensionable pay can be used for partial retirement where the employee wants to work above the required 10% reduction.

This information is for guidance only, any decision on how pay should be managed will be a local agreement dependant on the employee's individual circumstances.

Further information can be found in the ESR User Manual on the ESR Hub by clicking on the following link: ESR User Manual

Non-pensionable assignments

Scenario 1

Employee wishes to reduce pensionable pay by 10% but wants to continue working existing hours.

This can be managed by creating an additional non-pensionable assignment, using the following steps.

Navigation:
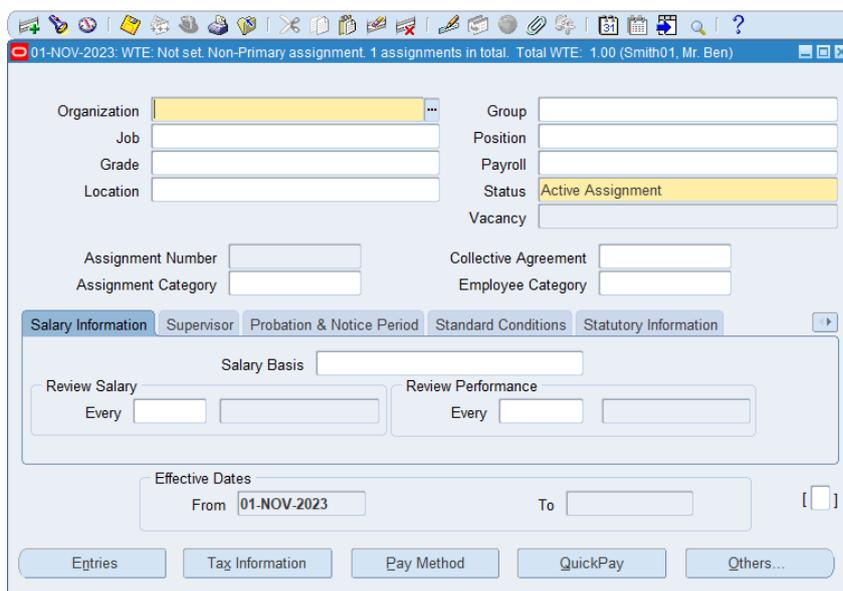XXX HR Administration
(N) People > Enter & Maintain
(B) Assignment
or
XXX Payroll Administration/XXX Payroll Super Administration
(N) Fastpath > Assignment

1. Set the Effective Date to the start date of the assignment.
2. Call up the relevant employee record using the normal search facility.

3. Click the New ![icon] icon on the toolbar to enable a new Assignment to be created.

4. Click in the Position field and enter the position number for the new Assignment. The following Decision will be displayed:
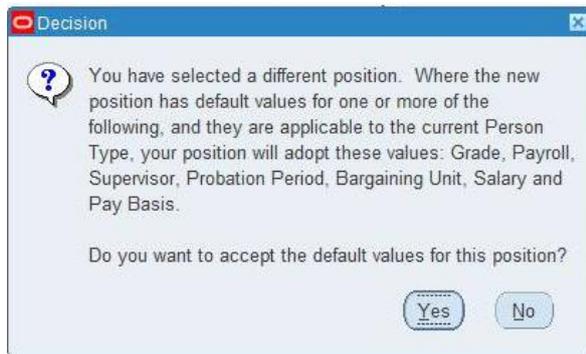
5. Click Yes to accept the default values assigned to the position within Workstructures i.e. Grade, Location, Job, Working Hours and Payroll.
Click No to enter the relevant fields manually.
If Yes is chosen individual fields can be overridden manually if required.

NOTE: If the position number is not known the Organisation field can be used to select the applicable Ward or Department. Thereafter, clicking in the Position field and entering % will display all available positions in the selected Organisation.

6. Click in the Group field.
The NHS People Group Flexfield will be displayed:
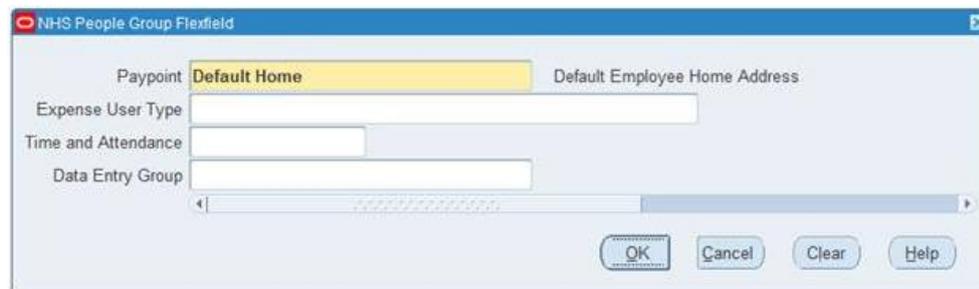
7. Click in the Paypoint field and select as applicable from the list.
This is where the employee's payslip is to be sent. This will default to the employee's home address but can be changed as required.

8. Click in the Expense User Type field and select as applicable from the list.
This is used for mileage calculations.
This field identifies what type of vehicle user the Employee will be, for example casual user or regular/essential user, and ensures that the relevant rate type is defaulted when mileage elements are entered via Data Capture.
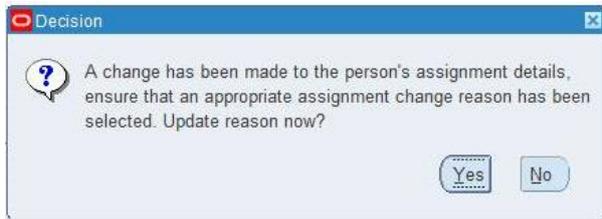
9. If the employee is part of the time and attendance system click the list of values in the Time and Attendance field. Universal People Time will automatically default.

10. Click the OK button.

11. Click in the Assignment Category field and select as applicable from the list.
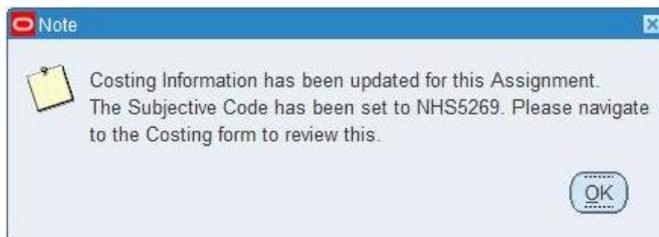
12. Click the Save icon.

The following Decision will be displayed:

13. Click Yes to enter a reason for the assignment change or No to save the record without entering a reason.

Once the record is saved the following note will be displayed:

Costing information is automatically defaulted from the Organisation (Cost Centre) and the Position (Subjective Code) but can be overridden if required.

ESR automatically calculates the FTE value for the employee based upon the contract type and working hours.

14. The new assignment is created with a -2 after the main assignment number as shown below:
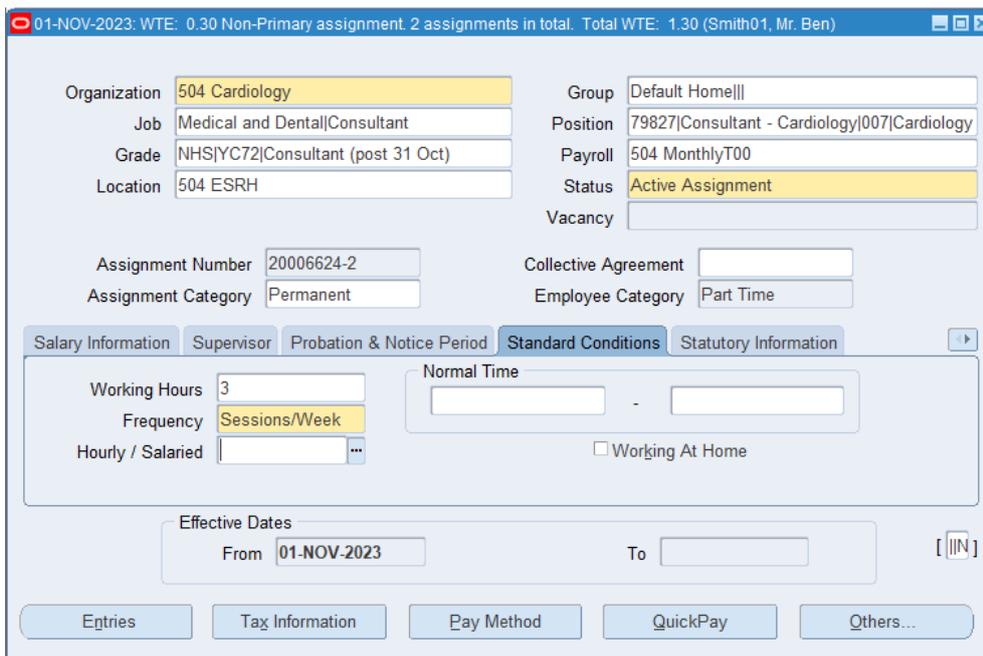
Further details can be found in the ESR User Manual by clicking on the following link: Enter and Maintain Multiple Assignments

Consideration needs to be given to aggregation for Tax and/or NI. Details on how to manage this can be found in the ESR User Manual by navigating to the Statutory Deductions section:

❏ Statutory Deductions
　　　○ Enter and Maintain NI Information
　　　○ Enter and Maintain Tax Information
　　　○ Tax and NI Aggregation (Payroll)
　　　○ Controlling NI Deductions - Including Aggregation
　　　○ Controlling PAYE Deductions – Including Aggregation

The additional assignment will need to be opted out of the NHS Pension Scheme and the Auto Enrolment Eligibility NHS element will need to be added with the appropriate reason to prevent the record from being auto enrolled at a later date.

Scenario 2
Employee wishes to reduce working hours but have the flexibility to work additional hours.

In this scenario an additional non-pensionable bank assignment can be created following the steps detailed above.

Alternative option for non-pensionable payments
An alternative to setting up an additional post can be managed by using non-pensionable elements on the existing assignment.

Scenario 3

If for example, a consultant working 10 PA's wants to reduce their pensionable pay but continue to be paid 10 PA's, this can be done as follows.

Amend the standard working hours by entering the revised working hours in the Standard Conditions form on the assignment form as shown below:

In the element entry form add the Add Prog Activity NP NHS element with the remaining 3 PA's.

This will pay the employee 10 PA's but only 7 PA's will feed the pensionable pay balance.

Most elements are not controlled by the employee being full or part time and as such will enable the non-pensionable payment to be made regardless of the assignment holding a part time Employee Category.

A full list of non-pensionable elements that can be used across staff groups can be found in the ESR User Manual by clicking on the following link: ESR PAD Manual

Alternatively organisations may wish to create local elements, details on how to do this can be found in the ESR User Manual by clicking on the following link: Create a Local Element

If non-pensionable elements are to be used to manage pay, consideration should be given to any additional work that may be required during periods of reduced absence or application of Pay Awards.