

## 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

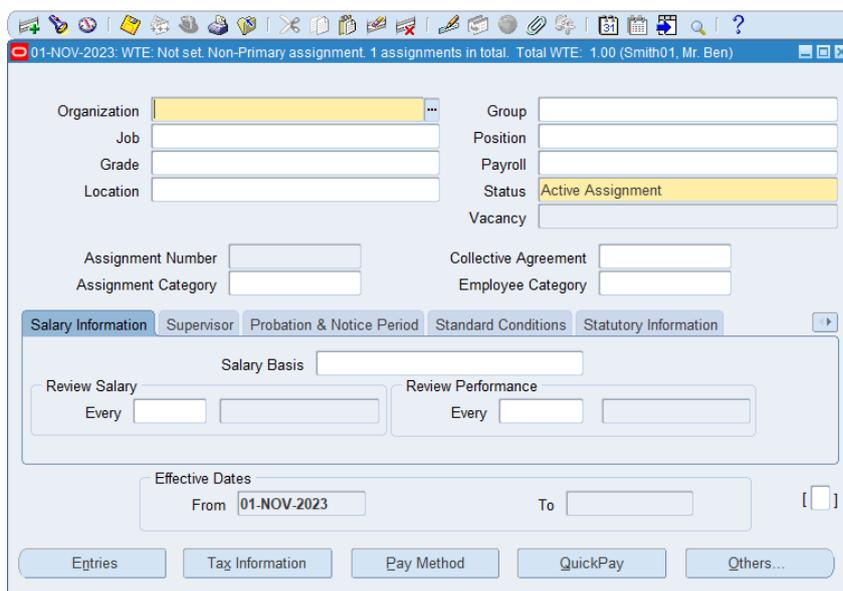
(B) Assignment

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 on the toolbar to enable a new Assignment to be created.



The screenshot shows a web-based HR system interface for creating a new assignment. The window title is "01-NOV-2023: WTE: Not set. Non-Primary assignment. 1 assignments in total. Total WTE: 1.00 (Smith01, Mr. Ben)". The interface includes several input fields and tabs. The "Salary Information" tab is selected, showing "Review Salary" and "Review Performance" sections. The "Effective Dates" section shows the start date as "01-NOV-2023".

Organization: [Dropdown] Group: [Text]  
Job: [Text] Position: [Text]  
Grade: [Text] Payroll: [Text]  
Location: [Text] Status: Active Assignment  
Vacancy: [Text]

Assignment Number: [Text] Collective Agreement: [Text]  
Assignment Category: [Text] Employee Category: [Text]

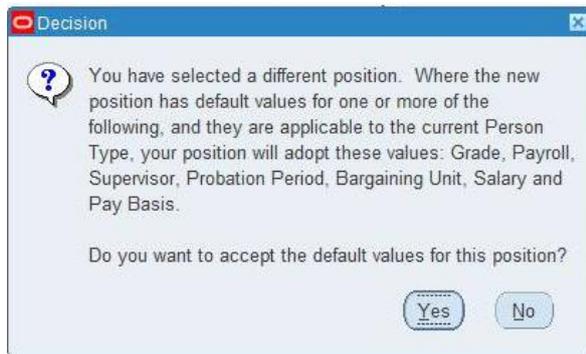
Salary Information | Supervisor | Probation & Notice Period | Standard Conditions | Statutory Information

Review Salary: Every [Text] [Text]  
Review Performance: Every [Text] [Text]

Effective Dates: From 01-NOV-2023 To [Text]

Buttons: Entries, Tax Information, Pay Method, QuickPay, Others...

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.

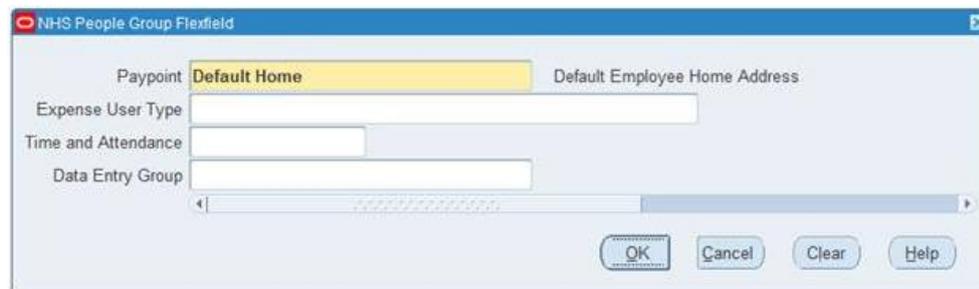
Click No to enter the relevant fields manually.

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.

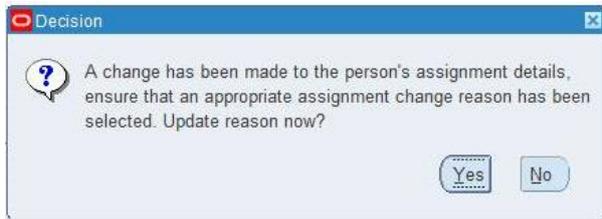
9. If the employee is part of the time and attendance system click the list of values in the Time and Attendance field. Universal People Time will automatically default.

10. Click the OK button.

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

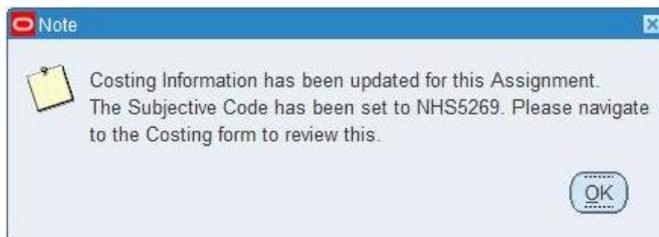
12. Click the Save  icon.

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.

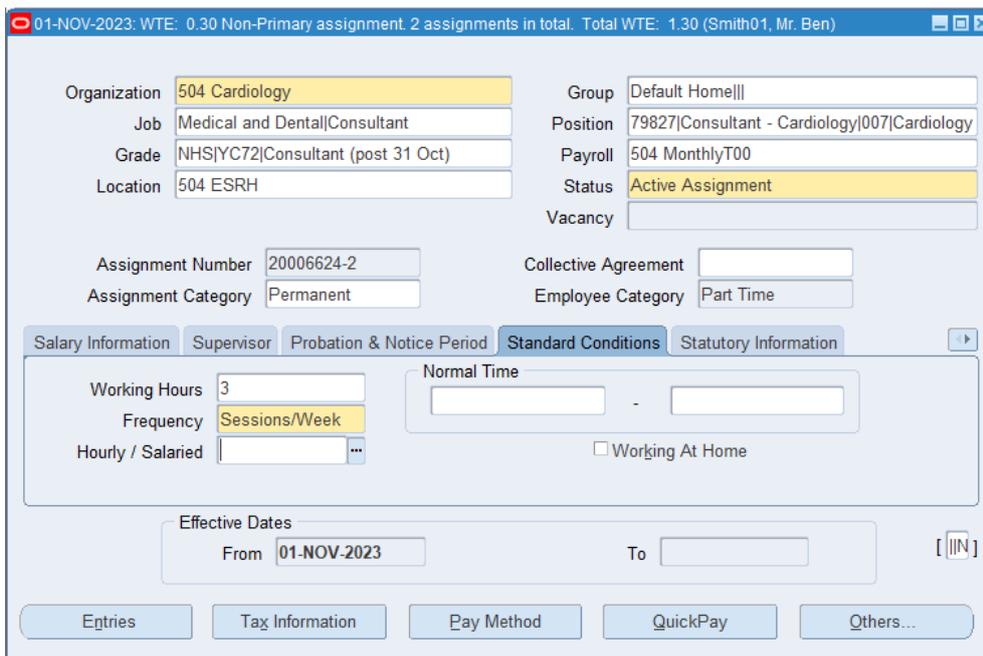
Once the record is saved the following note will be displayed:



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:

Assignment Category  Employee Category

Salary Information Supervisor Probation & Notice Period **Standard Conditions** Statutory Information

Working Hours  Normal Time  -

Frequency

Hourly / Salaried   Working At Home

Effective Dates

From  To

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

Period	8 2023 Calendar M	Scheme	NHS
Classification		Allowance Type	
Element Name		Units Worked	
Basic Contracted NHS		Date Worked	
Enhanced Multipliers NHS		Clin Ex Cap Rate	
NI		Distinction Cap Rate	
Negative Net Pay NHS			
Overtime Multipliers NHS			
PAYE Details			
Pension NHS			
Pensions Information			
SSP SMP Calculator NHS			
Standard Costing NHS			
Add Prog Activity NP NHS		Further Entry Information	
Entry Values	Balance	Date Earned	
		Original Date Earned	
		Payee Details	
		Processing Priority	2360

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.