

## Information for Research Councils' Pension Scheme Employers

### **PARTIAL RETIREMENT GUIDANCE**

Partial Retirement allows an employee (member) to take some or their entire pension and continue working.

It is a member led scheme and the member must have approval from their employer to reduce earnings by re-shaping their job either by down grading or reducing hours by a minimum of 20%. If a member reduces their hours they have three months to apply for Partial Retirement. After those three months they cannot apply for Partial Retirement unless they reduce their hours by a further 20%.

Members cannot take benefits before they are 50 (or 55 if they joined on or after 6 April 2006). If they are under the scheme pension age (60 in Classic, Classic Plus or Premium and 65 in Nuvos) their pension benefits would be actuarially reduced to take in to account that they are being accessed early.

Pension benefits taken are subject to abatement as with re-employment but members can take just a proportion of benefits in order to avoid abatement. Abatement is the reduction or suspension of the pension. The RCPS rules do not allow members to earn more in pension and salary from an organisation covered by the scheme than the salary they were earning before they took their pension.

Once Partial Retirement benefits have been taken and a new working pattern agreed members cannot apply for Partial Retirement again if they reduce their hours further.

Whilst job reshaping is expected to last until retirement member's circumstances can sometimes change. There would not be a concern about a subsequent promotion or increase in working hours unless this had been contrived between the employer and employee at the time of partial retirement. Working extra hours, unless taken as flexi, will also constitute as an increase in hours, albeit temporarily. Although there is an impact on pensionable earnings, the pension will be abated where appropriate, which minimises the risk of the pension scheme facing extra costs.

JSS should be notified immediately if and when these events happen in order to ensure that salary plus pension does not exceed the member's pensionable pay prior to Partial Retirement.

Death in Service, Ill Health or Redundancy Payments would be reduced if a member takes Partial Retirement.

### **PROCEDURE OVERVIEW**

When a member requests an estimate JSS will calculate it and send it to them within 10 working days; please note this may take longer if there are any discrepancies with the information already held by JSS. The member should read the guidance on Partial Retirement which available on the [JSS website](#). If, after consultation with their line manager, the member is considering going ahead with Partial Retirement they should request a formal quote using the necessary request form which is available to download from the JSS website.

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## *JSS Pensions Administration*

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If the member requests a quote, full salary details for last three years will be requested by JSS from the appropriate Payroll department on a JSS1 B leaver form (or a JSS1 leaver form). JSS will send the quote to the member using the address specified on the request form, together with all the necessary paperwork.

If the member decides to go ahead they should complete the Partial Retirement Application form and pass it to their HR department and line manager to sign; authorising their agreement to job re-shaping. They should then forward the authorised form to JSS together with a JSS1 leaver form (if not already provided) and with a change in hours form if appropriate. For employers who use UKSBS the application form should be sent to the HR function with the request for a JSS1 form and change of hours form. The application form should also be copied to JSS in the event that it is not passed on by UK SBS. The member should return the rest of the completed forms direct to JSS.

**These forms must be submitted within three months of the job reshaping in order for the Partial Retirement to go ahead.**

On receipt of the completed forms JSS ensure that there are no changes in the details entered on the quote (e.g. last day of current job, salary details etc.) and all the choices are entered on the JSS systems. JSS will calculate a new quote if necessary.

Once the award has been checked and authorised JSS will prepare and send payment forms for lump sum and pension to be paid and send an award letter to the member formally notifying them of their Partial Retirement arrangement.

**It is important for members to notify JSS and their HR department if there are any changes to their revised working arrangement to ensure that, where applicable, JSS can abate the pension correctly.**