

Partial Retirement Policy

July 2025

We Back Ambition



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Introduction

Thinking of retiring? Partial retirement provides a structured transition from employment to retirement, allowing employees to receive a portion of their retirement benefits while continuing to work on reduced hours.

Under this policy you can ask to partially retire and use part of your

benefits to top up your pay while you're still working. At the same time, you can continue building up more benefits.

Partial retirement benefits Scottish Enterprise (SE) too. By helping you transition to retirement we can plan ahead for your leave date and retain your skills and experience.

Principles

The background features three large, overlapping abstract shapes. A large green shape is on the left, a yellow shape is in the upper right, and a blue shape is in the lower right. The word 'Principles' is written in white text on the green shape.

This policy applies to all SE colleagues on UK terms & conditions who are members of Scottish Enterprise Pension & Life Assurance Scheme (SEPLAS) and meet the eligibility criteria.

Eligibility criteria

When you apply for partial retirement you must:

- have reached your **minimum retirement age of 55***
- have **SE's consent** (this should be your people manager and Head of)
- agree to **reduce your working hours** by at least 20%; and
- **submit your resignation** from SE.

*This will rise to **57 on 6 April 2028** when minimum retirement age changes.

What do I need to know?

This is a one-off decision - you can't change your mind once you have taken partial retirement, and you can't withdraw your resignation.

Think carefully about all your options before deciding if partial retirement is right for you.

Here's what you need to know.

- **Money matters:** when you partially retire, your pension plus your reduced salary can't be higher than what you were earning before.
- **Tax:** remember, your pension is subject to income tax so you should think about how this might affect you.
- **Early benefits:** if you access your pension benefits before hitting your normal retirement age, they'll be reduced because you're taking them early.
- **Future benefits:** taking partial retirement will affect the benefits you build up afterwards as you're working reduced hours.
- **Timing:** you must resign and leave SE within 2 years of partially retiring. After 19th May 2026 the timing will change and you must resign and leave SE within 1 year of partially retiring.

What should I do if I'm interested?

If you're interested in taking partial retirement please read [our process](#) for a detailed step by step guide. In summary, here's what you should do:

- Speak to your manager about reducing your hours of work to understand whether this could be accommodated.
- You must have SE's agreement before you apply for partial retirement. Check [our process](#) for details of the approval you need.
- If SE agrees in principle to reduce your hours of work, contact the SE Administration Team at Hymans Robertson (call 0141 566 7655 or email scenadmin@hymans.co.uk) to ask for a partial retirement quote.
- If you decide to go ahead, make a formal application to your manager for partial retirement and confirm your resignation for no later than 2 years (this will be 1 year from 19th May 2026) from the date you partially retire. You should also submit your resignation on SE PeopleHub.

Contact [Hymans Robertson](#) to confirm SE's decision and they will help guide you through the retirement process. If you need advice, an Independent Financial Adviser specialising in pensions can help.



Further information

- [Appendix 1: Partial Retirement FAQs](#)
- [Appendix 2: FAQs for People Managers](#)
- [Appendix 3: Partial Retirement Approval Process](#)
- [Appendix 4: Partial Retirement Case Studies](#)

[MoneyHelper](#) has information about planning for retirement including a pension calculator and budget tool.

[Gov.UK](#) has information about your state pension and how to trace lost pensions.

[Age UK](#) can offer general information about life in retirement plus support and advice about benefits you may be entitled to receive.

Case studies

The best way to understand how partial retirement works in practice is to look at some case studies.

- If you joined the scheme before 1 December 2006, you should read [Mark's case study](#).
- If you joined between 1 December 2006 and 31 January 2022, you should read [Sandra's case study](#).
- If you joined on or after 1 February 2022, you should read [Alex's case study](#).

Bear in mind that these case studies are only a guide as we can't cover all the options here. For information and figures based on your own circumstances, please contact the [SE Administration Team](#).



Any questions?

If you still have questions about partial retirement after reading the further information, or need to know anything else about your scheme benefits, please contact the SE Administration Team at Hymans Robertson:

Tel: 0141 566 7655

Email: scenadmin@hymans.co.uk

This guide reflects our understanding of the scheme rules, but if there are any differences between this guide and the scheme rules, the terms in the scheme rules will override.

Policy Framework and Compliance

Related legislation, policies and documents

All related policies linked within document.

Personal Data And Privacy Statement

Whenever personal data of staff is processed under activities regulated by this Policy, such processing will be done in accordance with our Data Protection Policy (including, where relevant, the additional policies and guidance referred to in it) and our Internal Privacy Notice which can also be requested from Ask HR.

Document revision history

| Version | Date | Author | Description of Changes | Status | Approved by |
|---------|----------|--------|--|----------|-------------|
| 2 | 19.05.25 | HR | <ul style="list-style-type: none">Amended to include time limit.Case studies updated.Tone and language refreshed.Moved to this policy template. | Approved | ELT |
| | | | | | |



Any questions?

If you have any questions about information detailed on this page, please contact the [AskHR team](#).

Appendix 1

Partial retirement FAQs

Who is in scope for partial retirement?

Partial retirement is open to members of the SE pension scheme who are at or over minimum retirement age – this is currently age 55. The minimum retirement age will rise to 57 in April 2028.

What is partial retirement?

Partial retirement offers a structured transition from employment to retirement. You can receive a portion of your retirement benefits whilst continuing to work for us on reduced weekly hours in the last 2 years of your career with SE.

What is the benefit of partial retirement?

Having the option of partial retirement may help with the transition from employment to retirement during the last 2 years* of your career. You may be interested in this if you are thinking of

retiring or are already working past your normal retirement date (NRD).

* The time limit for partial retirement will change to 1 year from 19th May 2026.

How does it work?

If you partially retire you must reduce your weekly working hours by at least 20%. At the time you apply for partial retirement you must also confirm your resignation for no later than two years from the date you start your partial retirement. From 19th May 2026 you'll need to resign within one year of your partial retirement starting.

You must have SE approval to partially retire. See the next question below '**How will you decide if my request can be approved?**' for more information about SE approval.

You may opt to take some or all of your benefits which you will receive as a pension and lump sum while continuing to work for SE on reduced weekly hours.

Your total income under partial retirement (reduced salary and partial retirement pension) must not be more than your salary before partial retirement.

Your pension will be reduced if it is paid out earlier than your NRD.

How will you decide if my request can be approved?

We hope that we should be able to find a way to manage the reduction in hours for partial retirement requests unless the impact on the business would be significant. It would only be by exception that we'd turn down a request.

Your manager will consider how your reduction in hours will affect your role and also the work of the wider team so that business needs are met.

They will discuss this with you to try to reach agreement and accommodate your request. For example, they may need to:

- alter your duties or change your role to meet business need – any change to your role or duties would be suitable for you and in line with your grade and experience
- review activities across the wider team; or
- ask you to change the % reduction in your weekly hours or postpone your request for a later date if this helps to cover imminent deadlines or high profile projects.

The head of your business unit will approve your request based on your manager's recommendation.

See the approval process in [Appendix 2](#) for more information.

Why is my pension reduced if I take it before my normal retirement date?

If you take your pension early, you will receive it for longer than if you'd waited until your NRD. In the same way, if you delay your retirement, the SE pension scheme will pay you a higher pension. The factors the SE pension scheme uses to calculate early or late retirement may vary.

What is my normal retirement age?

Your normal retirement age depends on the date you joined the pension scheme:

- Age 60 if you joined before 1 December 2006
- Age 65 if you joined between 1 December 2006 and 31 January 2022

- Your state pension age at retirement if you joined on or after 1 February 2022.

If you joined SE under a transfer, your normal retirement age may be different. Please contact the [SE Administration Team](#) who can advise based on your own personal circumstances.

Can I partially retire and take part of my pension but no lump sum until I fully retire? Or can I take just the lump sum and no pension?

No, you must take both pension and lump sum at the same time, although your partial retirement quote will give you options.

Does partial retirement change my pension scheme membership?

If you take partial retirement, your pension scheme membership will be divided into different parts:

- You will be a pensioner member because you are now receiving a partial retirement pension; and
- You will also be an active scheme member for the benefits not taken and the extra pensionable service you will build up while still working for SE - based on your new reduced hours salary.

It is important to understand this: the benefits your beneficiaries will receive if you die before them will be treated differently as you will have a combination of active and pensioner member benefits. Please see the question below **‘What**

happens if I die before fully retiring and still working for SE?’ for more information.

See the question below **‘Do I have to commit to fully retiring when I leave SE?’** for more information about deferred benefits.

What happens if my partial pension is less than my salary reduction?

You may opt to take all your accrued pension benefits rather than just a portion, so long as your total income (pension + reduced salary) is not more than your original salary. If taking all your accrued pension benefits is still less than your salary reduction, you should think about if you can afford this. You may wish to speak with an independent financial advisor. [MoneyHelper](#) has information about planning for retirement which may be useful.

Why do I have to resign when I apply? Why is partial retirement only available for a limited period?

Partial retirement is aimed at people who are thinking of retiring. It offers a support to help with the transition from work to retirement in the last 2 years* of your career.

We ask you to confirm your resignation date at the point you make a formal application for partial retirement. Your resignation date must be no later than 2 years* after you start partial retirement. This helps with future resource planning for your role/activities after you leave. It also makes it easier to manage requests if we know the length of time for a partial retirement.

*The time limit for partial retirement will change to 1 year from 19th May 2026.

What if I opt for partial retirement and then change my mind – can I go back to my original weekly hours of work or withdraw my resignation?

No, once you partially retire you are committed and you cannot opt out of the arrangement or withdraw your resignation.

Can I increase or reduce my partial retirement pension after I partially retire?

No, you can't, so you should think carefully about all your options before deciding anything.

Do I have to commit to fully retiring when I leave SE?

Most people use partial retirement to transition into full retirement and at that point they take all their pension benefits. But it's up to you to decide when you want to take all your pension benefits in full. At the moment, you can take partial retirement for up to 2 years, confirming your resignation date for no later than 2 years from the start of partial retirement. From 19th May 2026 the time limit for partial retirement will change to 1 year.

After leaving SE, you can choose to defer taking your remaining pension benefits if you wish. If you defer, you will be treated as a deferred member for the benefits you have not yet taken and the extra benefits you may have earned since taking partial retirement. See the SE pension scheme guide on [our pension website](#) for information about how these benefits will be treated.

The partial retirement pension you have already taken will continue to be paid and will not be affected if you decide to defer your remaining benefits.

What happens if I die before fully retiring and still working for SE?

If you opt for partial retirement, you will have both active and pensioner entitlements. Your beneficiaries will receive death benefits like this:

- **Death in service:** a lump sum of 3 x your pensionable salary (your reduced hours salary) at the time of your death; plus
- **Death in retirement:** a lump sum equal to 5 x your annual partial retirement pension, less any pension payments already paid.

Assuming you have no dependent children, your spouse, co-habiting partner or civil partner will also receive a pension for life calculated in 3 parts:

1. Half the partial retirement pension in payment; plus
2. Half the pension you did not take on partial retirement; plus
3. Half the additional pension built up since taking partial retirement.

If you have dependent children, the calculation becomes a little more complicated. If you would like further information on this, please contact the [SE Administration Team](#) who can advise based on your own personal circumstances.

Parts 2 and 3 will be increased if they are paid after your normal retirement date.

Can I pay Additional Voluntary Contributions (AVCs) if I take partial retirement?

Yes, you can for the pension benefits you are continuing to build up. The [SE Administration Team](#) can provide figures or answer any AVCs questions you have.

What is the process I should follow if I'm interested in applying for partial retirement?

See the approval process in [Appendix 2](#).

Is there anything else I should consider?

Taking partial retirement could have tax implications. It could also affect means tested state benefits. You are responsible for checking and understanding how this might affect you.

Where can I find further details about partial retirement?

If you still have questions about partial retirement after reading the further information, or need to know anything else about your scheme benefits, please contact the SE Administration Team at Hymans Robertson:

- **Phone:** 0141 566 7655
- **Email:** scenadmin@hymans.co.uk
- **Address:** Hymans Robertson, 20 Waterloo St, Glasgow G2 6DB

Appendix 2

FAQs for People Managers

As a people manager, what do I need to do if one of my team requests partial retirement?

You should consider all requests, in line with operational needs. You should think about the impact on resources and the work your team needs to deliver.

You will also need to consider options depending on the size of the requested reduction in weekly hours, for example: backfill, redistribution of work within the team or the wider business unit, reviewing current vacancies within the team or business unit and so on.

You should discuss this with your HR Business Partner then take your recommendation to your Head of for their input and approval. If the request is approved and you have agreed backfill to cover the reduction in weekly hours, your Head of will need to take this request to your ELT

member for approval to backfill. You would do this using the normal business case documentation.

Do I need to liaise with the wider management team in my division?

You may wish to do this as part of the discussions with your HR Business Partner when you are looking at the potential impact on resources and options for covering the reduction in hours.

Can I turn down a request?

We expect that we should be able to find a way to manage the reduction in hours for partial retirement unless the impact on the business was significant. It would only be by exception that we'd expect you to turn down a request following your review and discussions with your HR Business Partner.

You consider all options to allow the partial retirement request to go ahead. For example:

- Is there a way to reorganise or work across the team?
- Is it possible to alter duties or change the role to meet business need? This might be a project role or activity the team member could cover for the period of time before they leave that would allow you to backfill their role? This must be suitable and in line with grade and experience.
- Is there a reasonable compromise you could reach? Could they change the % reduction in weekly hours? Or could they postpone their request for a later date in the future if this helped to cover imminent deadlines or high profile projects?

You should discuss the request further with your team member to try to agree a reasonable solution.

What if I decide to turn down a request? How do I communicate my decision to my team member?

You should arrange a meeting to tell your team member your decision and the reasons why you can't approve their request.

Can my team member appeal?

No, but they can raise a formal issue if they believe we haven't followed process through our resolution policy if they wish. The Ask HR Team will be able to help you if you have further questions.



Appendix 3

Partial retirement approval process

| Step | Action | Who |
|------|---|-------------------|
| 1 | Read the Partial Retirement Policy. | Employee |
| 2 | Contact people manager to discuss interest in partial retirement. | Employee |
| 3 | Review request and consider resource implications referring to people plan. Consider options to manage any significant business impact. | Manager / HRBP |
| 4 | Review request and recommendation with Head of business unit. | Manager / Head of |
| 5 | Approve request - update HRBP on decision. | Manager / Head of |
| 6 | Confirm decision to employee. | Manager |
| 7 | If backfill required, prepare recommendation to ELT member for approval (pending employee's final decision to proceed). | Head of |
| 8 | Review and approve/decline backfill request (pending employee's final decision to proceed). | ELT member |
| 9 | Once partial retirement request approved, contact Hymans Robertson for a pension quote. | Employee |
| 10 | <p>Once pension quote received, confirm to manager if you wish to go ahead with partial retirement and follow these steps:</p> <ul style="list-style-type: none"> • agree effective date with your manager • email your manager to formally request partial retirement and confirm the effective dates of partial retirement and resignation • confirm resignation on SE People Hub using normal leaver process • advise Hymans Robertson of your decision and effective dates of partial retirement and resignation. <p>Your partial retirement cannot go ahead until you:</p> <ul style="list-style-type: none"> • confirm the date you want to start it • submit your resignation on SE People Hub • sign acceptance of your partial retirement letter (see step 14). | Employee |

| Step | Action | Who |
|------|--|------------------|
| 11 | Confirm employee decision to Head of and HRBP. | Manager |
| 12 | If partial retirement is going ahead, complete a People Requirements Form (PRF) and select partial retirement option. If the hours will be backfilled, attach the business case and ELT approval to the PRF. | Manager |
| 13 | <ul style="list-style-type: none"> • Check PRF is submitted and all paperwork/approval is attached. • Check employee has submitted resignation on SE People Hub. • Complete change of hours and working pattern on SE People Hub. • Contact Hymans Robertson to confirm approved request and effective date, subject to employee's signed acceptance. • Issue employee partial retirement letter. | AskHR |
| 14 | Sign acceptance of partial retirement letter and return copy of partial retirement letter to Ask HR. | Employee |
| 15 | Contact Hymans Robertson to confirm receipt of signed acceptance and advise they may process partial retirement. | AskHR |
| 16 | Process partial retirement benefits. | Hymans Robertson |
| 17 | Start process for backfill if required. | Manager |

Appendix 4

Partial retirement case studies

Case Study 1 – Member who joined before 1 December 2006

Mark is 60 and as he joined the SE pension scheme before 1 December 2006 he has reached his normal retirement date. He works full time and receives a full time equivalent salary of £40,000 which results in a final pensionable salary of £40,000. He has 20 years' pensionable service. If Mark fully retires he would receive:

- Annual pension £10,000 a year
- Lump sum £30,000

See the SE pension scheme guide on [our pension website](#) for more information on how we calculated Mark's benefits.

SE has agreed to reduce Mark's hours to 4 days a week (reducing his salary to £32,000 a year) and for him to partially retire. Mark's reduced salary plus his pension must not be more than £40,000 (his salary before partial retirement). This means the maximum pension he can take is £8,000 a

year. Mark decides to take the following benefits:

- Annual pension £5,000 a year
- Lump sum £15,000

This is half of his overall benefits which means he has used up 10 years' pensionable service. This leaves Mark with 10 years of pensionable service he has not taken as pension.

One year later Mark's part time salary has increased to £32,640 a year, increasing his final pensionable salary to £40,800. He has continued to work 4 days a week but is now leaving SE. Mark decides to fully retire at the same time. As Mark's normal retirement date was his 60th birthday he is taking the remainder of his benefits 1 year late at age 61. The remainder of his benefits will be increased to reflect the fact they are being paid late.

When Mark took half his benefits 1 year ago, this left him with 10 years' pensionable service to use up. As Mark has worked 4 days a week out of 5 for a further year since taking partial retirement, he can add another 9 months to the 10 years he has left. This 10 years and 9 months of pensionable service will give him:

- Annual pension £5,483 a year
- Lump sum £16,448

This pension and lump sum will be added to the benefits Mark took a year ago. This means Mark's total benefits would now be a minimum of:

- Annual pension £10,483 a year
- Lump sum £31,448

Remember, the pension in payment is subject to annual reviews and may increase.

The figures above are for illustration purposes only. All case studies assume a partial retirement period of one year.

Case Study 2 - Member who joined on or after 1 December 2006 and before 1 February 2022

By the time Sandra is 64 she has 15 years' pensionable service and receives a full time equivalent salary of £44,000 which results in a final pensionable salary of £44,000. As she joined the SE pension scheme after 1 December 2006 but before 1 February 2022, her normal retirement date is her 65th birthday. SE has agreed to her reducing her hours from 5 to 3 days a week and taking partial retirement. Her pay reduces to £26,400 a year.

As Sandra's normal retirement date is her 65th birthday any pension she receives at age 64 will be reduced because it is being paid a year early. If Sandra fully retires when she is 64 she would receive:

- Annual pension £7,956 a year
- Lump sum £24,686

Instead, Sandra takes:

- Annual pension £2,652 a year
- Lump sum £8,229

This is a third of her overall benefits which means she has used up 5 years' pensionable service. This leaves Sandra with 10 years of pensionable service she has not taken as pension. See the SE pension scheme guide on [our pension website](#) for more information on how we calculated Sandra's early retirement benefits.

One year later at age 65, Sandra's pay has increased from £26,400 to £27,000 a year, increasing her final pensionable salary to £45,000 and she has continued to work 3 days a week. She is now leaving SE and decides to fully retire at the same time.

As Sandra has now reached her normal retirement date she can take the remainder of her benefits without any further reduction for early

payment. When Sandra took a third of her benefits a year ago this left her with 10 years of pensionable service to use up. As Sandra has worked 3 days out of 5 for a further year since taking partial retirement, she can add another 7 months to the 10 years she had left. This 10 years and 7 months of pensionable service will give her:

- Annual pension £5,953 a year
- Lump sum £17,859

These benefits will be added to the pension and lump sum Sandra took 1 year ago. This means Sandra's total benefits would now be a minimum of:

- Annual pension £8,605 a year
- Lump sum £26,088

Remember, the pension in payment is subject to annual reviews and may increase.

The figures above are for illustration purposes only. All case studies assume a partial retirement period of one year.

Case Study 3 - Member who joined on or after 1 February 2022

Alex is 65 and has 2 years' pensionable service. She receives a full time equivalent salary of £42,000 which results in a final pensionable salary of £42,000. As she joined the SE pension scheme after 1 February 2022, her normal retirement age is her state pension age (which for Alex is 66). SE has agreed to her reducing her hours from 5 to 4 days a week and taking partial retirement. Her pay reduces to £33,600 a year.

As Alex's normal retirement date is her 66th birthday any pension she receives at age 65 will be reduced because it is being paid a year early.

If Alex fully retires when she is 65 she would receive:

- Annual pension £1,013 a year
- Lump sum £3,142

Instead, Alex takes:

- Annual pension £506 a year
- Lump sum £1,571

This is half of her overall benefits which means she has used up 1 year of pensionable service. This leaves Alex with 1 year of pensionable service she has not taken as pension. See the SE pensions guide on [our pension website](#) for more information on how we calculated Alex's early retirement benefits.

One year later at age 66, Alex's pay has increased from £33,600 to £34,500 a year, increasing her final pensionable salary to £43,125. She has continued to work 4 days a week. She is now leaving SE and decides to fully retire at the same time.

As Alex has now reached her normal retirement date she can take the remainder of her benefits

without any further reduction for early payment. When Alex took half of her benefits a year ago she was left with 1 year of pensionable service to use up. As Alex has worked 4 days out of 5 for a further year since taking partial retirement, she can add another 9 months to the 1 year she had left. This 1 year and 9 months of pensionable service will give her:

- Annual pension £943 a year
- Lump sum £2,830

These benefits will be added to the pension and lump sum Alex took 1 year ago. This means Alex's total benefits would now be a minimum of:

- Annual pension £1,450 a year
- Lump sum £4,401

Remember, the pension in payment is subject to annual reviews and may increase.

The figures above are for illustration purposes only. All case studies assume a partial retirement period of one year.