

# Appendix H

## Retirement Gift & Buffet Entitlement

### 1. Introduction

#### Entitlement

Employees having attained 15 years' service or more are entitled, upon retirement, to a buffet provided at the Trust's expense (from revenue sources). Employees having attained 20 years' service or more are also entitled to a gift. Employees are entitled to these benefits whether they are retiring on the grounds of age or ill health, or if they are accepting voluntary redundancy providing they have acquired the required length of service. Entitlement is dependent upon employees having 15 years or more continuous service with any NHS organisation. Human Resources staff will advise on eligibility criteria where necessary.

For employees with the requisite length of service, the standard benefits are:-

Gift Entitlement:       £5.00 per year of service. Available if continuous length of service is 20 years or more.

Buffet Entitlement:   £5.00 per year of service. Available if continuous length of service is 15 years or more.

The following procedure notes detail how these entitlements may be accessed:-

#### Responsibilities of Line Manager

1. Upon receiving notification of an employee's intended retirement, the Line Manager should verify the length of service with Human Resources to ascertain whether the individual is eligible for the standard retirement entitlements.
2. If the employee is eligible for retirement entitlements then the Line Manager should complete a "Retirement Entitlement Request" Form.

When completing this form the following guidance may be helpful:-

- a. Please state full name and place of work of the employee for whom the entitlements are being requested.
- b. Gift details:-
  - i. The value of gift to which the employee is entitled is determined by their length of service.
  - ii. It is recommended that gift entitlements are requested in the form of a cheque made payable to a retail outlet. This may then be used to purchase a suitable gift.

Cheques cannot be made payable to the person retiring because of income tax implications. The gift entitlement may be paid direct to the individual via Payroll, given sufficient notice, but would be subject to deduction of basic rate tax.

- iii. The arrangement where colleagues purchase retirement gifts out of their own personal monies and then request reimbursement is not to be encouraged.

In the rare circumstances where this does happen, receipts must be provided as proof of purchase.

Managers must ensure that the chosen company will accept payment by cheque prior to completing the form.

- c. Buffet details:-
- i. As with retirement gifts, the individual's entitlement is determined by length of service.
  - ii. Wherever possible, it is recommended that retirement buffets are arranged via a SHSC Trust Catering Department. To arrange this, a Refreshment Order Form should be completed and attached to the Retirement Entitlement Request.
  - iii. If an outside caterer is to be used, then an invoice should be requested or if payment is required in advance then please supply relevant details so that a cheque may be arranged.

Managers must ensure that the chosen company will accept payment by cheque prior to completing the form.

- iv. Please state the intended date of the function in order that arrangements can be made in good time.
- v. Please bear in mind the Trust's alcohol policy when arranging functions.
- vi. With the express approval of the relevant Budget Manager, the standard buffet entitlement may be supplemented by revenue monies. In such cases the additional cost should be charged to an appropriate hospitality code.

**This entitlement is intended to be used towards retirement buffets at which the majority of guests will be work colleagues. Please note that the buffet entitlement is not available for private functions attended solely by the employee's relatives/personal friends.**

- d. Authorisation:-  
Please ensure that the Retirement Entitlement Request is signed by the relevant Service/Clinical Director, Business Manager or Therapy Head.
- e. To ensure that all entitlements can be arranged in good time, it is recommended that the request form is submitted to the Finance Department no later than two weeks before the intended date of retirement.

Please ensure the form is fully completed to enable prompt processing by the Finance Department.

### **Responsibilities of Finance Department**

1. The Finance Department will ensure that no action is taken unless the form has been correctly authorised in line with the authorised signatory database by the appropriate Service Manager.
2. Any queries will be referred back to the Service Manager but otherwise the Finance Department will endeavour to ensure that all cheques are made available by the required date and that all Refreshment Order Forms are forwarded to the appropriate Catering Department in good time.
3. The Finance Department will maintain a schedule of all disbursements in relation to retirements in order that the financial consequences may be reviewed on an annual basis.

# Sub-Appendix 1

## RETIREMENT ENTITLEMENT REQUEST

### SECTION 1 (To be completed by Line Manager)

Could you please arrange retirement entitlements as per the following details:-

#### **A. EMPLOYEE DETAILS**

Name: ..... Length of Service: .....  
..... years  
Ward/Dept.: ..... Intended date of retirement:.....  
Site: .....

#### **B. GIFT DETAILS**

Entitlement (Amount £): .....  
Cheque payable to: .....

**(Please ensure that the company will accept payment by cheque)**

Cheque to be sent to: .....

Cheque to arrive by: .....

#### **C. BUFFET DETAILS**

Entitlement (Amount £): .....  
Date of Function: .....  
If in-house (i.e. via a SHSC Catering Department): Please complete a Refreshment Order Form.  
If outside catering is to be used: Will payment be via invoice/cheque in advance?  
Please highlight the appropriate method and provide the relevant details below.

**(Please ensure that the company will accept payment by cheque)**

#### **CHEQUE DETAILS**

Cheque payable to: .....

Cheque to be sent to: .....

Cheque to arrive by: .....

#### **D. REQUEST AUTHORISED BY**

Signed: ..... Designation: .....

.....

Name (Print): ..... Date: .....

.....

### SECTION 2 (To be completed by Management Accounts)

Request approved by: ..... Designation: .....

Financial Code: .....

## **GUIDANCE TO COMPLETING A RETIREMENT ENTITLEMENT REQUEST FORM**

### **ENTITLEMENT ALLOWANCE**

#### **Gift**

A request for a Gift Entitlement will only be valid if the employee has completed 20 years service or more. If the length of service criteria is met then the employee is entitled to £5.00 per full year of service.

E.G. 22 years of service will equate to a gift entitlement of £110.00

#### **Buffet**

This is the same as for a gift, with the exception that the required length of service is 15 completed years of service or more.

### **CHEQUE DETAILS (please refer to timescale section below)**

#### **Gift**

- (a) All cheques should be made payable to a business organisation, e.g. a shop or a holiday company, of the employee's choice. Please ensure that the company will accept payment by cheque.
- (b) Cash equivalents are possible, however, sufficient notice is required in order that the amount can be paid in the employee's final salary. The employee will also be subject to income tax on the amount, which will mean a loss of 20% of the amount in tax (40% if the employee is in the higher tax bracket). No tax is levied when the cheque is raised in the way described in (a) above.
- (c) Should notice not be received in time for the payment to be made in the employee's final salary, it is not possible for the amount to be paid as a cash equivalent.
- (d) Should employees take it upon themselves to purchase their own gift and then seek reimbursement, this can only take place if the amount reimbursed is subjected to tax, i.e. the employee would not receive back the full gift entitlement amount.

#### **Buffet**

- (a) Again cheques should only be made payable to a business organisation, i.e. caterer or restaurant. Please ensure that the company will accept payment by cheque.
- (b) There is no option of receiving the cash equivalent in lieu of a buffet, i.e. it cannot be added to the gift entitlement.
- (c) Should employees choose to have the buffet at a restaurant/pub then, other than husbands/wives/children, the guests should comprise of work colleagues past and present.

### **AUTHORISATION**

Authorisation should be sought from the nominated person for your area, whose signature will appear on the authorised signatory list held in Management Accounts. Should you be unsure who the person for your area is, then please contact the Management Accounts Section in the Finance Department.

### **TIMESCALE**

Once completed please return the forms to the Management Accounts Section, Finance Department, SHSC HQ. The forms should be received by the Finance Department at least four weeks before the cheques are required by the organisers to ensure they will be ready in time.

*Revised as an Appendix to the Retirement Policy – November 2016, with no change to the content.  
See Retirement Policy for review date.*