**Flexible Retirement**

**Last amended: October 2019**

**Retirement, Flexible Retirement & Late Career Planning Procedure**

1. **Introduction**

With the removal of the statutory retirement age and changes in USS pension arrangements (flexible retirement), it is important that the University engages in proactive workforce planning. With this in mind, managers should have regular career discussions with their staff, which may include departmental and employee’s future plans in the short, medium and long-term, including plans relating to retirement. Such discussions will not prejudice the employee’s future employment or the perception of the employee’s commitment to the University.

The University is committed to supporting its employees throughout their working lives and assisting them with the transition to retirement. Employees are encouraged to discuss their intentions relating to retirement with their manager as early as possible to allow for succession planning and effective impact analysis on workforce plans.

This document serves to inform the potential options available to staff and managers when considering late career planning and provides guidance on the wider considerations needed when making appropriate decisions.

The University offers support for staff considering or embarking upon retirement, including pre-retirement courses.

The University values the diversity of its people and is committed to promoting equal opportunities and eliminating discrimination.  Therefore, managers should apply this guidance fairly, and, in doing so, ensure that there is no discrimination on the grounds of gender, race, disability, age, religious or political belief, sexual orientation, trade union membership/activity or marital status.

1. **Impact of the Abolition of the Default Retirement Age**

Legislative changes in 2011 removed the default retirement age, which meant that the University no longer operates a mandatory retirement age policy from that point.

As a result, any specified contractual retirement arrangements were no longer automatically applied and employees were no longer given notice of retirement by the University even if their contract referred to specific retirement arrangements being in place.

In implementing this change, there was an expectation that all staff regardless of age fulfil their contractual obligations, perform to the high standards set by the University within its performance management processes and continue to meet the full requirement of the role.

In order to support the management of all staff, the University provides the following processes and tools:

* Appraisal Development Conversation (ADC)
* workload allocation models
* staff development and training
* management information through the MI Hub
1. **Retirement options**

Employees considering retirement resignation or flexible retirement options are encouraged to discuss their plans with their line manager as early as possible.

1. **Taking full retirement**

Employees who decide to retire should do so by resigning providing their line manager with formal, written notification of their intentions, giving the minimum correct period of notice following the normal resignation requirements. The contract of employment will provide details of the required notice period.

The manager, or appropriate delegate, should arrange to meet with the employee to discuss arrangements for retirement including any succession and handover plans.

If the employee is in a pension scheme, they should note that it could take up to three months for pension payments to be processed. It is advised that an employee provide as much notice as possible in order to avoid possible delays in the pension payment. The employee needs to contact the Pension Team on pensions@nottingham.ac.uk or extension 15996, at the earliest opportunity, to enable them to support their retirement.

1. **Flexible retirement**

Changes to the USS pension scheme (in 2011), enabled active USS members to apply to the University for permission to flexibly retire. Flexible retirement allows the member to draw a proportion of their pension and tax-free cash benefits and to continue working at reduced hours and salary. The employee should note that it takes three months for pension payments to be processed. The employee needs to contact the pension’s team on pensions@nottingham.ac.uk or extension 15996, at the earliest opportunity.

Note: currently other pension schemes do not allow for flexible retirement options, however, they do allow staff to leave the University when they reach pensionable age and re-join making additional contributions into a new pension pot whilst receiving their full pension entitlement from their previous period of employment.

**c) Flexible retirement process and guidance**

Employees who wish to be considered for flexible retirement are required to make a formal request through the flexible retirement application form (Appendix 2 and 3), detailing the desire to reduce working hours based on flexible retirement. The process for applying for flexible retirement is outlined in Appendix 1.

A request to flexibly retire is not a statutory flexible working request and, therefore, there is no legal obligation for the University to consider it. In addition, although the USS pension scheme permits flexible retirement, the University is not obliged to agree to such requests made by employees.

All requests should be for no less than 0.2 FTE in compliance with USS flexible retirement rules.

The request will normally only be considered for employees continuing in their existing role and capacity (other than hours).

A request from an individual wishing to flexibly retire in a different role or reduced capacity (other than hours) eg to a teaching only or research only role will, in the main, be rejected, since this would need to be considered as part of the Career Track change process. Where, as an exception, this is considered and agreed this would need to be in line with the School/Department’s requirements. The member of staff should be made aware that salary paid after agreeing such an arrangement would reflect the level of pay received by others undertaking and delivering similar roles, where this is simply a reduction in hours, this would be on a pro-rata basis. Staff should be made aware of this, as part of the process in reviewing requests for flexible retirement and the manager should encourage the member of staff to contact the pension provider to ensure that there is no detrimental or unexpected impact on their pension.

A maximum of two flexible retirement requests can be agreed before full retirement of the member of staff, in line with USS rules.

**Academic staff** mustcomplete the form in Appendix 2. If the Head of School (or Head of Department for the Faculty of Engineering) is supportive, they should work with the staff member to complete the business case in Appendix 3a with consideration of:

* impact on research outputs
* impact on grant income
* impact on delivery of specialist teaching
* financial position of School and/or cost to accommodate change
* request in context of School strategy
* longer-term plan including succession planning and how the University will manage with the individual fulfilling their role on reduced hours as well as a succession plan once the member of staff requests full retirement
* the risk of not accepting the request - should they fully retire rather than remain on their current terms and conditions?
* any other relevant consideration

Once completed, this should then be submitted to the Faculty Pro-Vice-Chancellor for authorisation. Only full and complete cases following the standard template will be considered.

**Non-academic staff** shouldcomplete the form in Appendix 2. If the Head of Department is supportive, they should work with the staff member to completethe business case in Appendix 3b. This should consider and give details relating to:

* University strategic importance
* impact on delivery
* business continuity risk
* longer-term plan including succession planning and how the University will manage with the individual completing their role on reduced hours as well as a succession plan once the member of staff requests full retirement
* risk of not accepting the request -should they fully retire rather than remain on their current terms and conditions
* any other relevant consideration

Once completed, this should then be submitted to the Faculty Pro-Vice-Chancellor or for non-Faculty Professional Services staff, the relevant UEB-member for authorisation. Only full and complete cases following the standard template will be considered.

All requests agreed will result in a contractual change to the hours of work as per the agreed outcome of the request and consistent with USS guidance.

**Appendix 1**

**Flexible Retirement Flowchart**

USS requires a minimum of three months to process a flexible retirement request. It is important that the employee contactthe Pension Team on pensions@nottingham.ac.uk or extension 15996, at the earliest opportunity.

**Appendix 2**

**Flexible Retirement Application Form**

|  |
| --- |
| **I would like to apply for flexible retirement**Changes to the USS pension scheme enable active members to apply to the University for permission to retire flexibly. Flexible retirement allows members to draw a proportion of their pension and tax-free cash benefits but to continue working at reduced hours and salary. |
| **1. Personal Details**Name: …………………………………………………………………………………………………………Job title: …………………………………………………………………………………………………………Job Family and Level: …………………………………………………………………………………………School/Department: …………………………………………………………………………………………Payroll No: …………………………………………………………………………………………………… |

|  |
| --- |
| **2a. Describe your current role, capacity and working pattern:****2b. Please confirm whether your existing position and capacity will continue and describe the working pattern you would like to work in future** (you may continue on a separate sheet if necessary) - all requests should be for no less than 0.2 FTE per annum**2c. For clarity please outline your current and proposed hours:****2c. I would like this working pattern to commence from (date):**(Please be aware that it can take up to three months for pension payments to be processed) |
| **3. Impact of the new working pattern**I think this change in my working pattern will affect the School/Department and colleagues as follows: |
| 1. **Have you previously applied for flexible retirement?**

**Yes / No****If yes on how many occasions?** ........................................(A maximum of two flexible retirement requests may be considered before full retirement in line with USS rules) |
| **5. Accommodating the new working pattern/other suggestions made:**I think the effect on the University and my colleagues can be dealt with as follows: |
| **6. Declaration**I understand that if this request is accepted this will involve a permanent change to my terms and conditions of employment and will affect my pension and there is no right to revert to the previous working pattern. Name: …………………………………………………………………… Date: ……………………………... |

**Appendix 3a**

**Business case template for flexible retirement requests for academic roles**

The key to any case should focus on there being a benefit to the University of the request being granted against objective criteria as follows: *the research outputs, grant income, School’s financial position, the request in the context of the School Strategy and any other relevant consideration*.

|  |  |
| --- | --- |
| **Research Outputs** |  |
| **Grant Income** |  |
| **Delivery of Specialist Teaching** |  |
| **Financial Position of School/Cost of Post** |  |
| **Request in context of School Strategy**  |  |
| **Longer-term plan including succession planning and how the University will manage with the individual fulfilling their role on reduced hours as well as a succession plan once the member of staff requests full retirement** |  |
| **The risk of not accepting the request - should they fully retire rather than remain on their current terms and conditions?** |  |
| **Any other relevant consideration** |  |

**Head of School/Department - I support this application for flexible retirement as outlined above**

**Name: …………………………………………………………………………….. Date: ……………………**

**Signed: ………………………………………………………………………………………………………….**

**Job Title: ……………………………………………………………………………………………………….**

**Pro-Vice-Chancellor Approval**

**Name: …………………………………………………………………………….. Date: ……………………**

**Signed: ………………………………………………………………………………………………………….**

**Appendix 3b**

**Business case template for Flexible Retirement requests for non-academic roles**

The key to any case should focus on there being a benefit to the University of the request being granted against objective criteria as follows: *University strategic importance, impact on delivery and business continuity risk.*

|  |  |
| --- | --- |
| **University strategic importance** |  |
| **Impact on delivery** |  |
| **Business continuity risk** |  |
| **Financial Position of School/Cost of Post** |  |
| **Longer-term plan including succession planning and how the University will manage with the individual completing their role on reduced hours as well as a succession plan once the member of staff requests full retirement** |  |
| **The risk of not accepting the request - should they fully retire rather than remain on their current terms and conditions?** |  |
| **Any other relevant consideration** |  |

**Head of School/Department - I support this application for flexible retirement as outlined above**

**Name: …………………………………………………………………………….. Date: ……………………**

**Signed: ………………………………………………………………………………………………………….**

**Job Title: ……………………………………………………………………………………………………….**

**Director of Professional Services Approval**

**Name: …………………………………………………………………………….. Date: ……………………**

**Signed: ………………………………………………………………………………………………………….**

**Job Title: ……………………………………………………………………………………………………….**