

Brunel University London

FLEXIBLE RETIREMENT POLICY

Overview

This Policy is focussed on employees who are considering their working options as they approach retirement. The alternative ways of working provided by Flexible Retirement can be of benefit to employees, who may wish to gradually move into retirement, and the University, which retains valuable skills and knowledge that can be effectively transferred prior to an employee fully retiring.

The aim of this Policy is to set out a fair and consistent process for dealing with Flexible Retirement. Such a process will ensure that all requests for Flexible Retirement are considered with full account being taken of the benefits to the employee and the University along with the costs involved. Flexible Retirement requests will only be agreed where there is a clear benefit for the University.

Definition

Flexible Retirement is the opportunity for eligible employees to continue in their employment with the University, earning a reduced salary as a result of a reduction in working hours and/or grade while also receiving some or all of the pension benefits which they have accrued at that point.

Eligibility

The policy applies to all employees of the University who are members of one of the pension schemes operated by the University. These are currently the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS, often also referred to in terms of the administering body, the LPFA), although there are also a small number of staff belonging to the Teachers' Pension Scheme (TPS), for historical reasons.

In order to be eligible for consideration for flexible retirement employees **MUST** meet the criteria specified within the rules of the pension scheme operated by the University to which they belong **AND**:

- Be aged 55 or over
- Reduce their salary by at least 40% through a reduction in hours and/or grade. In exceptional circumstances a lesser reduction may be considered,

though there must be a robust business case to justify this (and, in any event this will be at least 20%).

- Be working in their substantive post e.g. not in a seconded post

An employee who has previously been granted flexible retirement can apply for a further reduction in hours / grade subsequently but only on one further occasion.

Agreed Date of Full Retirement

Where an application for Flexible Retirement is approved, a revised contractual letter will be issued setting out the new terms and conditions of employment. This **MUST** include an agreed date on which the employee will fully retire from the University, and cease to be an employee of the University in any capacity. The agreed date of full retirement will normally be within three years of the date on which Flexible Retirement commences and **MUST**, in any event, be within five years of this date.

The change will be permanent and the employee will not have the right to revert to their previous working arrangement. (However, as set out above, the employee will be able to apply for one further reduction in grade / hours prior to retiring fully. Should such an application be approved, the agreed date of full retirement will normally remain as the same date relating to the initial (approved) application for Flexible Retirement).

Application Procedure

An employee who is considering the option of flexible retirement should have an early discussion with their line manager. This will enable both parties to consider the most appropriate way forward.

Where Flexible Retirement appears to be appropriate, the line manager will arrange for an estimate of the employee's pension benefits to be obtained from the University's Pension Team. The line manager may also want to discuss the situation with HR. On receipt of the estimate, the employee will be provided with a copy and will decide whether or not to proceed with an application for flexible retirement. It is the employee's responsibility to seek appropriate financial advice from an independent financial adviser on the implications of Flexible Retirement for them.

Employees who decide to pursue an application will need to submit a business case to their Head of Department and Dean / Director. It will generally be advisable for the business case to be drafted in consultation with the line manager

The business case should take into account the following:

- implications for the team / service
- needs of the service
- whether the request will enable the retention of valuable experience / skills
- whether the request will enable a successor to be identified and developed
- consideration of the impact of the request, taking into account pension benefits and reduction in earnings

- All cost implications.

The business case **MUST** also specify the agreed date of full retirement (see above) **AND** which of the following four options will be used to address a reduction in hours:

- delete the residual hours to achieve a saving;
- cover the hours, with a lower graded post, as part of a succession plan;
- make an appointment to the remaining hours
- cover the residual hours by overtime.

The business case will be submitted by the Head of Department and Dean / Director to the Provost or Chief Student & Staff Services Officer, as appropriate, for consideration and should include a statement from the Vice Provost & Dean of College / Director indicating whether, or not, they support the business case. The Provost or Chief Student & Staff Services Officer will determine, at their sole discretion, whether to approve the application for flexible retirement, having taken into account the comments of the Finance Department, regarding the business case, and consulted HR, where appropriate.

Should the Provost or Chief Student & Staff Services Officer not approve the application for flexible retirement, the employee will be notified of the reasons for this in writing.

Appeals

The employee has the right of appeal against the decision not to support the application at this stage. The appeal should be made, in writing, to the Vice Chancellor & President within 10 working days of receiving notification of the decision. The employee must set out the grounds of appeal in their letter of appeal to the Vice Chancellor & President.

The appeal will be considered by the Vice Chancellor & President and Director of Finance who will make a final decision on whether, or not, to approve the application for flexible retirement, having sought such advice as they think necessary. There will be no further right of appeal.

Any appeal from a member of staff reporting directly or indirectly to the Director of Finance will be determined at the sole discretion of the Vice Chancellor & President, who may seek independent/professional advice as she thinks necessary.

Employees will be permitted to reapply for flexible retirement after a period of 24 months from the date that their application was declined.