

SOAS VOLUNTARY RETIREMENT POLICY AND PROCEDURE

1. Statement of Principles

- 1.1 With effect from 1 October 2011, the School no longer operates a contractual retirement age. From this date an employee will be able to choose when to “retire”, in accordance with the rules set out in their occupational pension scheme and/or contract of employment.
- 1.2 As the School will no longer determine when an employee “retires”, the process of retirement will therefore be voluntary.
- 1.3 Retirement is a process by which an employee seeks to access their pension benefits and does not necessarily require an employee to end their paid employment with the School. Employees may be able to access their accrued retirement benefits, in whole or in part, and remain in some form of employment with the School under a Post-Retirement Contract, dependent on the options available to them through the School’s occupational pension schemes.
- 1.4 As retirement as a process is no longer fixed to a given date, there will need to be an ongoing discussion between employees and managers about their future plans with regard to working / retirement options in order to effectively plan for any change that may occur.
- 1.5 The School reserves the right to introduce/impose a fixed retirement age for workforce planning purposes (i.e. the need to recruit, retain and provide promotion opportunities and effectively manage succession), should evidence emerge over time that this is necessary and can be objectively justified.

2. Scope

- 2.1 This Policy and Procedure applies to all School employees – Teaching & Research, Teaching & Scholarship, Research and Support.

3. Occupational Pension schemes

- 3.1 The School offers two occupational pension schemes – the Superannuation Arrangements for the University of London (SAUL – www.saul.org.uk) for employees on Grades G2 – G5 and the Universities Superannuation Scheme (USS – www.uss.co.uk) for employees on Grades G6/Ac1 and above. (Note: Following implementation of the Framework Agreement, the School has some employees graded G6/Ac1 and above who are still in the SAUL scheme).
- 3.2 Members of each scheme contribute a percentage of gross salary into the scheme which is added to by an employer contribution. Each scheme has differing terms as to the age at which, and on what conditions, benefits can be accessed.

3.3 Full details of both schemes are available from the Payroll & Pensions Manager and on the scheme websites.

4. Retirement Options

4.1 **Full Retirement** - the employee resigns fully from the School at the same time as accessing their pension benefits.

4.1.1 The earliest age at which employees can access their full occupational pension benefits will depend on the terms of the relevant scheme extant at the time (currently age 60 for SAUL members and for USS members aged 55 or over on 1 October 2011; and age 65 for USS members aged under 55 on 1 October 2011).

4.1.2 For state benefits, the age at which benefits can be taken currently depend on date of birth and gender, but will be standardised to age 65 in November 2018 and to age 66 by April 2020.

4.2 **Retirement and further employment** - accessing all the accrued pension benefits does not preclude an employee continuing to be employed with the School. However, if an employee wishes to access their full pension benefits they would have to “resign” and therefore the terms of any re-engagement would have to be agreed in advance.

4.2.1 Employees should also note that the value of any earnings received after taking full retirement benefits may impact on the value of the annual pension received. Annual pension may be liable to tax and salary earnings may be liable to tax and national insurance payments.

4.3 **Early Retirement on Reduced Benefits** – the employee resigns from the School and accesses actuarially reduced pension benefits.

4.3.1 For SAUL members, this option depends on when they joined the scheme. SAUL members can retire from the age of 50 (or age 55 for members who joined the scheme after 6 April 2006) with reduced benefits.

4.3.2 Under USS scheme rules until 30 September 2013, members may only retire ‘early’ between the ages of 50 and 60 if they are made redundant or retire at the request of the employer. In such cases, USS members are entitled to receive full benefits, with the employer having to pay an early retirement funding charge to USS.

4.3.3 From 1 October 2013, USS members who are made redundant and qualify for early retirement benefits are not entitled to receive full benefits. Any benefits paid will be subject to an early retirement reduction, unless the School exercises its discretion to augment those benefits.

- 4.4 Flexible Retirement** – available to USS members only from 1 October 2011, this allows the employee to access part of their accrued benefits whilst continuing in work on reduced hours and/or reduced salary grade, subject to the School's agreement.
- 4.4.1 The USS scheme allows members over the age of 55 with qualifying service a period of transition between full employment and full retirement by allowing them to draw up to 80% of their USS benefits, but the employee and the School must agree to a reduction in working hours and salary of at least 20%.
- 4.4.2 Under the USS flexible retirement scheme, members can have up to two 'flexes' before fully retiring. On each occasion at least two months notice must be given by the employee. USS members wishing to apply for flexible retirement are encouraged to seek further information from the Payroll & Pensions Manager before completing and submitting the [Flexible Retirement Application Form - FlexRet1](#).
- 4.4.3 The Dean of Faculty/Director of Professional Services/Head of IFCELS should meet with the employee to discuss the request and a recommendation whether or not to approve the request must be forwarded to the Pro-Director (Learning & Teaching) / Pro-Director (Research & Enterprise) / Secretary & Registrar, as appropriate. The request and the recommendation will be formally considered by the Pro-Director (Learning & Teaching) / Pro-Director (Research & Enterprise) / Secretary & Registrar, as appropriate and their decision, as recorded on Form FlexRet1, will be forwarded to the Human Resources Directorate. The HR Directorate will confirm to the employee and their manager whether or not the request for flexible retirement has been agreed.
- 4.5 The HR Directorate can provide information and guidance on scheme terms but cannot provide financial advice. Employees are therefore advised to contact an independent financial adviser. USS provides a list of USS trained financial advisers. This service is paid for by the employee, if required.

5. The Retirement Process

- 5.1 Although the School no longer applies a contractual retirement age, the Human Resources Directorate will continue to provide information and guidance to employees considering their retirement options.
- 5.2 The Payroll & Pensions Manager will write to employees 12 months before they are able to access their pension benefits under their Occupational Pension Scheme, with an estimate of their pension benefits, for information purposes. The Pension Service, an executive agency of the Department for Work and Pensions, will send to all individuals, whether or not they are in the occupational pension schemes, a State Pension Information Booklet and invitation to claim, approximately four months before they reach the State Pension age.

- 5.3 All staff over the age of 60 will have the option of attending a pre-retirement planning training event, and should contact the Staff Development Office if they would like to take up this option.
- 5.4 Managers will receive annual data on the age demographic of all of their employees and it will be an acceptable part of the SDR process for a manager to ask an employee as to their future intention with regard to retirement to assist with future workforce and training planning.
- 5.5 Applications for full retirement are in effect resignations and, therefore, employees wishing to take full retirement are required to give the School the appropriate contractual notice:
- For employees on Grades G2 to G5 - one month's notice;
 - For employees on Grades G6/Ac1 and above, excluding Teaching & Research staff - three months' notice;
 - For Teaching & Research Staff - by 30th April, to take effect on 30th September.
- However, employees are encouraged to discuss their intentions at the earliest opportunity with their manager so that they can start to plan for any changes to staffing requirements. Employees should also give sufficient notice (at least three months) to allow their occupational pension schemes to process their pension applications to avoid any delay in the payment of benefits.
- 5.6 Advice and guidance on each process will be available from the Human Resources Directorate.

6. Review

- 6.1 This policy and procedure will be reviewed regularly in line with any changes in employment legislation and pension scheme rules.

7. Approval

- 7.1 This policy and procedure was agreed with the School recognised trade unions, UCU and UNISON, on 14 September 2011.
- 7.2 This policy and procedure was approved by Executive Board on 26 September 2011.

**HR Directorate
SOAS
September 2011**

Flexible Retirement Application Form		Form FlexRet1
Name:	Date you would like new arrangement to be effective from:	
Directorate / Faculty:	Line Manager / Head of Department:	
I would like to apply for a reduction in hours and/or reduction in salary/grade. I confirm the following (tick boxes as appropriate):		
I am in the USS Pension Scheme and my age is over 55	<input type="checkbox"/>	
I am already in receipt of a proportion of my pension (If yes, specify proportion)	<input type="checkbox"/>	
I wish to receive a proportion of my pension (If yes, specify proportion)	<input type="checkbox"/>	
I understand that I am only allowed two reductions before full retirement	<input type="checkbox"/>	
Describe your current working hours and salary/grade below:		
Describe the working hours and salary/grade you are requesting below:		
Describe how you think the proposed changes will impact upon your department and colleagues:		
Describe how you think the effects of this on your department and colleagues might be dealt with:		
Applicant's Signature:	Date:	
<u>I recommend that this application is approved*</u> <u>I recommend that this application is refused*</u>	<u>Signature of Dean of Faculty / Director of Professional Services / Head of IFCELS:</u>	
<u>(*delete as appropriate)</u>	<u>Date:</u>	
<u>I confirm my approval of this application*</u> <u>I do not approve this application*</u>	<u>Signature of Pro-Director (Learning & Teaching) / Pro-Director (Research & Enterprise) / Secretary & Registrar</u>	
<u>(*delete as appropriate)</u>	<u>Date:</u>	