

# Retirement Policy

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## 1. Retirement Policy

The purpose of this policy, which takes effect from 1 June 2012, is to provide a statement of the University's approach to employee retirement. The University believes that a clear policy will assist employees in planning for their retirement, or for an extension of their working lives, and will allow for effective succession and activity planning within the University.

This policy applies to all University employees (i.e. those who hold a contract of employment with 'The Chancellor, Masters, and Scholars of the University of Cambridge'), with the exception of employees working for Cambridge University Press and Cambridge Assessment.

## 2. Statement of policy

The University aspires to the highest standards of teaching, research, and administration. It is important that in striving to achieve these aims institutions can plan their staffing structures to allow maximum effectiveness across these activities, whilst considering the wishes of individual employees in relation to their workplans.

The introduction of this policy follows consultation with employees, institutions, and trade unions following the abolition of the default retirement age from 1 October 2011. The terms of the policy are set out below.

For University officers, other than the Chancellor, the High Steward, the Deputy High Steward, and the Commissary (who are excluded from Special Ordinance C (ii) 12), the University operates a retirement age which is at the end of the academic year in which the University officer reaches the age of 67. The University considers that this is important to ensure inter-generational fairness, to complement rights of academic freedom and autonomy, to ensure that the University continues to work towards a diverse workforce and to refresh the academy in providing opportunities for career development to those at an early stage of their academic career. The options available to University officers on reaching the retirement age are set out in more detail in the [Procedure for University officers](#) section.

The University does not operate a retirement age for assistant staff, contract research staff, and unestablished academic and unestablished academic-related staff. Where the employment of a University officer is extended beyond the retirement age, that employment will be in a fixed-term capacity and the individual will move from an established to an unestablished position. However, the University may continue to rely on retirement as a reason for ending the employment relationship at the end of this extended period of employment, including where there have been successive extensions.

## 3. Procedure for University officers

The Head of Institution will write to an employee at the beginning of the academic year, two years before he/she reaches the retirement age, setting out the options available to her/him. The HR Division will supply the Head of Institution with an annual report of the names of these employees to facilitate these communications.

The options open to the employee at this stage are as follows:

- Retire at the retirement age (or earlier subject to giving notice).
- Retire at the retirement age and apply for a Voluntary Research Agreement in accordance with the applicable procedures.
- Request continuation of her/his employment in an unestablished capacity on a fixed term basis, full or part time.
- Apply for flexible retirement, working reduced hours and drawing part of her/his pension for a period before full retirement.

University officers are currently required to vacate their offices at the retirement age under the terms of Special Ordinance C (ii) 12. Any extension of employment will therefore be on an unestablished basis.

The Head of Institution will invite the University officer to a discussion, taking place as part of the normal process of regular reviews which occur under the Staff Review and Development Scheme, to discuss future plans. A record should be made of the discussion using form RP3: Record of Workplace Discussion.

### **3.1. Retiring at or before the retirement age**

If a University officer intends to retire before the retirement age he/she should complete the form RP1: Intention to Retire and submit this to her/his Head of Institution to advise the University of her/his planned retirement. This should be submitted no later than three months before the intended retirement date. Following the discussion with the Head of Institution all necessary steps to action the retirement will be taken.

If a University officer intends to retire at the retirement age, this is the default position and accordingly he/she need not take any steps to notify the University that this is the case, other than indicating this intention in the discussion.

If a University officer wishes to retire before Pensionable Age, the age at which a member of the Universities Superannuation Scheme ('the USS'), or the NHS Pension Scheme, as applicable, becomes entitled to access the scheme in question without an actuarial reduction, he/she needs to seek the permission of the University to do so by writing to the Academic Secretary, in addition to discussing her/his plans with the Head of Institution.

### **3.2. Voluntary Research Agreement (VRA)**

This route enables University officers to retire but in exceptional circumstances to continue in active research in a voluntary unpaid capacity after retirement. The award of a VRA is normally linked to the confirmation and duration of a personal research grant. Applications for a VRA should be made using forms RETAF3 and RETAF4, where possible by 31 December, 21 months before the retirement age.

- [Terms of a VRA and the approval procedure](#)

### **3.3. Continuation of employment for a fixed period**

If a University officer wishes to continue working beyond the retirement age for a fixed period, he/she should submit a request for an extension to her/his Head of Institution by 31 December, 21 months before the retirement age, using the form RP2e: Request to Continue Working Beyond the Retirement Age Form, indicating:

- i. The fixed period for which he/she wishes to continue to work, and
- ii. The reasons why he/she wishes to be considered for extended employment.

The Head of Institution will meet with her/him to discuss the details of her/his request. The request will be considered against the [criteria](#) set out below and having regard to the University's guidance on fixed-term contracts, including the need for such contracts to be objectively justified. The guidance includes examples of [objective justifications](#). Following consideration of the request, the Head of Institution will indicate whether the Institution will support it.

If the Institution is supportive of the request, the Head of Institution will make a recommendation, via the applicable School, to the [Central Approval Committee](#) by 28 February, 19 months before the retirement age, and the individual will be advised of the outcome in writing and will be provided with written reasons for the decision.

Where the request is approved, the extended period of employment will be in an unestablished capacity. A new contract of employment will be issued reflecting the title and terms of the new fixed-term appointment. The new contract end date will be the individual's extended employment end date. During the extended working period, the Staff Review and Development Scheme will continue to operate and Heads of Institutions should meet annually with members of staff whose employment had been extended to discuss their ongoing plans. The meetings will allow a discussion of the individual's wishes together with the institution's plans, including potential variations in existing arrangements, and enable due process in advance of the extended employment end date.

### **3.4. Flexible retirement**

#### **3.4.1. Working beyond the retirement age**

An employee may wish to continue working after the retirement age but in a part-time capacity before retiring fully. The terms of the USS allow a scheme member to draw part of her/his pension whilst continuing to work and receive a part-time salary. The minimum reduction in working time under this arrangement is 20% and the maximum pension that can be drawn is 80%. An employee wishing to take advantage of the flexible retirement option should first seek guidance about the terms of the scheme from the University Pensions Team.

If he/she then wishes to make a formal request for flexible working, he/she should complete form FLEXAF/RETIRE setting out the proposed new working pattern and submit this to the Head of Institution for consideration.

The Head of Institution will meet with the employee to discuss the request which will be considered against the criteria set out below and having regard to the University's guidance on fixed-term contracts, including the need for such contracts to be objectively justified. The Head of Institution will make a recommendation, via the applicable School, to the Central Approval Committee. The employee will be notified of the decision in writing and will be provided with written reasons for the decision.

University officers whose request is approved will receive a new unestablished, fixed term contract reflecting the revised working hours, and the contract end date will be the individual's extended employment end date. During the extended working period, the Staff Review and Development Scheme will continue to operate and Heads of Institutions should meet annually with members of staff whose employment had been extended to discuss their ongoing plans. The meetings will allow a discussion of the individual's wishes together with the Institution's plans, including potential variations in existing arrangements, and enable due process in advance of the extended employment end date.

### 3.4.2. Reducing working hours prior to retirement

Where an individual wishes to access a portion of her/his pension benefits whilst continuing to work in a reduced capacity prior to reaching the retirement age he/she can make a request for flexible retirement. Where the period of flexible working requested will not extend beyond the retirement age, agreement can be reached locally with the Head of Institution and with the approval of the relevant Faculty Board where appropriate. The request will not need to be considered by the Central Approval Committee since it does not involve an extension of employment, however the Academic Secretary should be consulted during the Head of Institution's consideration of the request.

The employee should complete form FLEXAF/RETIRE to make the request to her/his Head of Institution. He/she will be invited to meet with the Head of Institution to discuss her/his request. The criteria against which the request will be determined are set out in the University's [Flexible Working Policy](#). The Head of Institution will advise her/him in writing of the outcome of the request. If the request is approved the employee will receive a letter confirming that he/she has been granted leave to work part-time and setting out the new working hours.

However if part of the period of flexible working extends beyond the retirement age, or the request is made after this point, it will need to be considered by the Central Approval Committee in accordance with the procedure above.

### 3.5. Criteria for evaluating requests to work beyond the retirement age

The following criteria are provided to allow consistent evaluation of requests from employees to work beyond the retirement age. Where a request to continue working is made by a University officer, he/she should set out the reasons why he/she wishes to apply for extended employment in form RP2e. The criteria should be taken into account by the Head of Institution when making a recommendation to the Central Approval Committee, and by that committee when determining the final outcome of the request. **In all cases, the criteria should be taken into account, subject to the overriding principle that employment will not be continued unless the individual will make an exceptional contribution to the University in the future, such that her or his continued employment will generate a net benefit to the University.**

- Would the individual's contribution be unusually difficult to replace given her/his particular skills, knowledge or experience and/or the availability of similar skills and experience from the employment market?
- Would the extended employment compared with alternative options fit more appropriately with the future academic and business needs and plans of the Department, Faculty or Division over the proposed period (for example where there is a desire to develop new teaching or research initiatives)?
- What is the likely impact of the extended employment compared with alternative options on the quality of work of the Institution; for example on its ability to respond to student needs, to meet research aims, or to provide professional and administrative services of the highest quality?
- How would any financial commitments or benefits, which would accrue from an extended employment over the period proposed, compare with those which might accrue from alternative options e.g. the costs and timescales of recruitment and training? What is the impact on current or future funding?
- What is the likely impact of extended employment compared with alternative options on opportunities for career development and succession planning to renew the academy through promotion, bearing in mind turnover in the Institution?

- What is the likely impact of extended employment compared with alternative options on diversity trends, including the distribution of ages among staff within the work team and/or Institution?
- In the case of clinical staff, is the relevant NHS Trust willing to maintain or renew the individual's honorary contract?
- Is the duration of the proposed extension of employment and the individual's preference for full or part-time employment in the interests of the University?

## 4. Timeline for University officers

October	HR Division to provide the Heads of Institutions with lists of employees who will reach the retirement age in two years' time
By 31 October	Two years prior to the retirement age, the Head of Institution to write to the University officer setting out the options available at the retirement age
By 31 December	A discussion will have taken place to discuss future plans
	Applications for VRA (forms RETAF3 and RETAF4), requests to continue working beyond the retirement age (form RP2e), and requests for flexible retirement (form FLEXAF/RETIRE) to be completed
By 28 February	The Head of Institution will make a recommendation (if appropriate) to the Central Approval Committee
By 30 April	Central Approval Committee considers requests
By 31 May	Individuals informed of outcomes
30 September	Retirement age at end of academic year in which a University officer reaches 67

## 5. Procedure for Assistant Staff, Contract Research Staff and Unestablished Academic and Unestablished Academic-related Staff

Whilst there is no retirement age for these staff groups, the University wishes to set up a procedure for employees to be able to consider their choices at or about the time when they become entitled to draw their occupational pension in full.

For planning purposes, it is assumed that whenever the employee should choose to retire her/his retirement date would be 30 September, i.e. the end of the academic year in which he/she wishes to retire. To assist with operational planning, employees should inform their Head of Institution as soon as possible if it is their intention to retire on a different date.

The Head of Institution will write to staff two years before they reach the age of 65 (which for most staff is the age when they may access their occupational pension without an actuarial reduction), advising them of their options.

These options are:

- Retire.
- Continue working on the same basis.
- Continue working with a reduction in hours.



- Continue working with a modification of duties/in a different role.
- Apply for flexible retirement, working reduced hours and drawing part pension for a period before full retirement (USS members only).

Two years prior to an employee reaching the age of 65, the Head of Institution will write to the employee inviting her/him to a discussion as part of the normal process of regular reviews which occur under the Staff Review and Development Scheme.

Such discussions are an informal opportunity for both Heads of Institutions and employees to plan jointly for the future (and enable Heads of Institutions to establish if and when an individual is thinking about retiring). The outcome of a discussion should be recorded briefly on form RP3. Heads of Institutions, or their deputies, are encouraged to undertake this review annually, or more frequently where the individual requests it, or where it is required, irrespective of age. The aim of the regular review meetings is to maintain a dialogue about the individual's plans in a supportive manner.

Where an individual intends to continue in post, he/she should inform the Head of Institution of this intention at the discussion.

If an employee wishes to take on a different role within the University at any stage, he/she will be entitled to apply for that position in the normal way.

If an employee intends to continue working but wishes to request a change in hours or duties, a FLEXAF form should be completed and submitted to the Head of Institution in advance of the relevant review meeting. Requests will be considered under the criteria set out in the University's [Flexible Working Policy](#). Requests for modifications of hours or duties will be accepted providing this is in accordance with the needs of the Institution.

An employee can declare her/his intention to retire at any time by completing form RP1 and by providing the appropriate period of notice of her/his retirement. If he/she chooses to retire earlier than Pensionable Age, and is a member of the USS or CPS, her/his pension entitlements may be actuarially reduced in line with the terms of the scheme.

All members of staff have the opportunity to attend a [planning for retirement course](#) during the two-year period before they reach the age of 65.

## 6. Roles and responsibilities

### 6.1. Employees

Employees are responsible for:

- Keeping the Head of Institution informed of their plans and attending related meetings.
- Completing form RP1 to advise the Head of Institution of their retirement date (other than in the case of a University officer intending to retire at the retirement age).
- Completing form RP2e to request an extension beyond the retirement age (University officers only).

## **6.2. Heads of Institutions**

Heads of Institutions are responsible for:

- Writing to employees two years before they reach their retirement age or the age of 65 (as the case may be) to advise them of their options.
- Meeting with individual employees to discuss the options.
- Seeking Faculty or School level approval of the Department's recommendation in line with local arrangements.
- Making a written recommendation to the Central Approval Committee for each University officer's request to continue in employment beyond the retirement age when this is supported by the Institution based on the criteria.
- Undertaking succession planning within the Institution in light of the information about employee retirement plans.
- Carrying out regular staff review and development meetings with all employees, including those in extended employment.

These duties may be delegated within the Institution.

## **6.3. Departmental Administrators**

Departmental Administrators are responsible for:

- Advising HR Recruitment Administration of any changes to working patterns that are agreed, by completion of a CHRIS/50.
- Supporting the discussions between Heads of Institutions and individuals to discuss requests for extension and/or variation in hours/duties.

## **6.4. HR Business Managers**

HR Business Managers are responsible for:

- Providing Heads of Institutions with an annual report of all employees reaching the retirement age and the age of 65 in a given year.
- Providing advice and guidance on the consideration of requests.
- Communicating the outcome of requests considered by the Central Approval Committee to the employee and the Institution.

## **6.5. Heads of Schools**

Heads of Schools (or equivalent) are responsible for:

- Monitoring information about retirements and extensions supplied by Heads of Institutions to ensure adequate succession planning is taking place across the School in line with the School's strategic plans.



## 7. Applicability of other policies and procedures

### 7.1. Discussions

Regular discussions form part of the University's [Staff Review and Development Scheme](#) and should be conducted with all employees. Such discussions provide an opportunity for the Head of Institution to ask open questions about an employee's aims, aspirations, and plans for the short, medium, and long term and to discuss the individual's performance, developmental, and training needs. These discussions are informal and confidential and employees should be encouraged to participate fully. A record of the discussion should be made using form RP3.

Heads of Institutions or their deputies are encouraged to undertake discussions annually as part of the Staff Review and Development Scheme (or more frequently where an individual requests it or where it is required), to enable both the Institution and the employee to plan jointly for the future.

The Head of Institution should also discuss with the employee the Institution's future plans and future staffing needs, so that employees are aware of the Institution's future needs.

### 7.2. Performance Review

The staff review and development process provides a regular opportunity for a two-way review of work progress and a discussion of development needs. It also provides a forum for a discussion of any difficulties or obstacles to an employee's effective performance in the role. Where there are more immediate or significant concerns about an employee's performance or capability, these should be addressed separately through a process of systematic performance review. Institutions are advised to speak to their HR School team for further advice when managing specific cases of underperformance.

### 7.3. Re-employment or re-engagement of retired staff

The following sets out the rules relating to the re-employment or re-engagement (e.g. as a TES temporary worker) of employees who have retired, based on the pension that they are receiving:

#### 7.3.1. CPS

There are no restrictions on re-employment/re-engagement of retired staff in receipt of a CPS pension.

#### 7.3.2. USS

The USS pension rules set conditions around re-employment/re-engagement after retirement. Within the first month, a pensioner cannot be employed in any capacity by the employer from which the retirement took place. After the first month, re-employment is possible providing that:

- At the point of retirement there was no intention on the part of the University to re-engage the member of staff.
- The member of staff has not taken early retirement and drawn their USS pension as part of a redundancy package.

It cannot be agreed with an individual in advance that they may return to work at the University at a later date. This would be against the spirit of the USS rules which define retirement as 'ceasing employment which give eligibility for membership of USS with no expectation of taking up another

employment which would give the member an entitlement to join USS'. Individuals who are retiring complete a declaration to this effect.

### 7.3.3. NHS

Please seek advice from the [Clinical School HR team](#).

As part of auto-enrolment provisions, any retired member of staff re-engaged will be auto-enrolled into the relevant pension scheme for their new post and will subsequently be able to opt out of those arrangements if they wish.

## 8. Constitution of the Central Approval Committee

- Pro-Vice-Chancellor Institutional Affairs (Chairman)
- Director of Human Resources (Secretary)
- Two persons nominated by the General Board, including a Head of School
- A person nominated by the University Council
- Academic Secretary
- Registry

The Committee will meet once a year in the Easter Term to consider all cases for extensions to take effect at the end of the following academic year. Thus, requests will be considered and individuals notified of the outcome approximately 15 months before they reach the retirement age. The Committee will decide whether or not to approve individual requests supported by Schools for extended employment beyond the retirement age.

## 9. Appeals procedure

Where a University officer is dissatisfied with the outcome of a request for extended employment or to vary their hours beyond the retirement age, he/she will have a right of appeal. Any appeal should be made in writing to the Director of Human Resources within 14 days of the outcome of the request being communicated to the employee and should set out the grounds of appeal.

Appeals will be heard by an Appeal Committee appointed by the Council consisting of a Chairman and two University officers. The Appeal Committee will meet within 14 days of its establishment to hear the appeal, or as soon as is reasonably practicable. The appeal will be determined following an oral hearing attended by the appellant and the responsible person. The responsible person shall be the Head of Institution, Head of Division or their nominated deputy. The appellant and the responsible person will be entitled to make a statement and to address the Appeal Committee.

Following the hearing of the appeal, the Appeal Committee will consider the facts of the case and may allow or dismiss an appeal, in whole or in part. The decision of the Appeal Committee will be notified to the appellant and recorded in a document signed by the Chairman, giving the reasons for this decision. A confirmatory letter will be sent to the appellant within seven days.

The Appeal Committee may decide to vary the above procedure as it deems appropriate.

## 10. Reporting

The operation of this policy and the maintenance of a retirement age will be kept under review. The Human Resources (HR) Committee may amend this policy as appropriate to ensure its compliance with legislation and to maintain an effective set of procedures. A report of the numbers of retirements and requests for extended employment beyond the retirement age will be received by the HR Committee each academic year.

## 11. Forms

- RP1 Intention to retire
- RP2e Request to continue working beyond the retirement age (University Officers)
- RP3 Record of workplace discussion
- RP5 Cover sheet for application packs presented to Retirements Central Approval Committee
- FLEXAF Flexible working application form
- FLEXAF/RETIRE Flexible retirement application form
- RETAF3 Application form for Voluntary Research Agreement