

# Retirement Policy

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## 1. Context

1.1. This policy provides a statement of the University's approach to employee retirement with effect from 1 October 2016. 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.

1.2. This policy applies to all employees of the University of Cambridge, with the exception of employees working for Cambridge University Press and Cambridge Assessment.

## 2. Statement of Policy

2.1. The University aspires to the highest international levels of excellence in education, learning and research. 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.

2.2. For University officers<sup>1</sup>, the University operates an Employer Justified Retirement Age (EJRA), which is at the end of the academic year in which the University officer reaches the age of 67. The options available to University officers on reaching the retirement age are set out in more detail in [Section 4: 'University Officers'](#).

2.3. The University does not operate a retirement age for assistant, unestablished research, unestablished academic-related and unestablished academic members of staff.

2.4. The operation of this policy and the maintenance of a retirement age for University officers 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.

2.5. This policy supersedes the Retirement Policy dated 1 June 2012 and the Voluntary Research Agreement Procedure.

## 3. Definitions

Term	Definition
Retirement age	30 September of the academic year in which a University officer reaches the age of 67
Pensionable age	The age at which the member of the relevant occupational pension scheme becomes entitled to access his or her pension benefits in full without an actuarial reduction

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<sup>1</sup> Excluding the Chancellor, the High Steward, the Deputy High Steward, the Commissary and any University officer who is exempted under any Statute or Special Ordinance from the provisions of Special Ordinance C (ii) 12

## 4. University Officers

4.1. The University operates a retirement age for University officers in order to:

- Ensure inter-generational fairness and career progression;
- Enable effective succession-planning;
- Promote innovation in research and knowledge creation; and
- Preserve academic autonomy and freedom.

4.2. At the beginning of the academic year in which the University officer reaches the age of 65, the relevant Head of Institution will invite the individual to attend an informal meeting to discuss his or her intended retirement plans and the options available. A record should be made of the discussion using [form RP3: Record Of Workplace Discussion](#). The retirement options open to a University officer are detailed below.

### 4.3. **Normal Retirement**

4.3.1. If a University officer intends to retire at the retirement age, this is the default position and accordingly s/he need not take any steps to notify the University that this is the case. His or her employment will therefore end automatically on 30 September of the academic year in which s/he reaches the age of 67. However, it would be helpful if s/he would confirm this intention during the workplace discussion with the Head of Institution.

### 4.4. **Flexible Retirement**

4.4.1. If a University officer wishes to work reduced hours and draw part of his or her pension for a period before full retirement then s/he can apply for flexible retirement. For further information, please refer to [Section 6: 'Pensions'](#).

### 4.5. **Early Retirement**

4.5.1. If a University officer wishes to retire before the retirement age s/he should complete [form RP1: Notification Of Intention To Retire](#) and submit this to his or her Head of Institution to advise the University of the planned early retirement. This should be submitted no later than three months before the intended early retirement date.

4.5.2. If a University officer wishes to retire before the relevant pensionable age, s/he needs to seek the permission of the University to do so, in addition to discussing his or her plans with the Head of Institution. University officers in General Board institutions will require the permission of the Academic Secretary. University officers in Council institutions will require the permission of the Registry. The relevant HR Business Manager will be able to advise the employee and Head of Institution of the process for seeking the necessary approval.

### 4.6. **Delayed Retirement**

4.6.1. University officers are currently required to vacate their offices no later than the end of the academic year in which they reach the retirement age under the provisions of Special Ordinance C (ii) 12. However, in exceptional circumstances it may be possible for an individual to be granted an extension of his or her employment on an unestablished fixed-term basis, thereby delaying his or her retirement for a limited period of time. For further information, please refer to [Section 7: 'Procedure for University Officers to Continue Employment'](#).

## **5. Assistant, Unestablished Research, Unestablished Academic-Related and Unestablished Academic Staff**

5.1. While there is no retirement age for these staff groups, the University operates a procedure for employees to consider their choices at or about the time they become entitled to draw their occupational pension in full.

5.2. For planning purposes, it is assumed that whenever the employee chooses to retire, his or her retirement date would be 30 September i.e. the end of the academic year in which s/he wishes to retire. If the employee intends to retire on a different date, s/he should inform his or her Head of Institution using form RP1 as soon as possible to assist with operational planning.

5.3. The Head of Institution will write to employees two years before they reach the age of 65, which for most employees is the age when they become entitled to draw their occupational pension in full without an actuarial reduction.

5.4. The options open to an employee are detailed below.

- Retire;
- Continue working on the same basis;
- Continue working with a reduction in hours;
- Continue working with a modification of duties or in a different role; or
- For USS members only, apply for flexible retirement, working reduced hours and drawing a part-pension for a period before full retirement.

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

5.6. Such discussions are an informal opportunity for both Heads of Institutions and employees to plan jointly for the future, and enable Heads of Institution to establish if and when an employee is considering 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 employee's plans in a supportive manner.

5.7. Where an employee intends to continue in post, s/he should inform the Head of Institution of this intention at the relevant review meeting.

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

5.9. If an employee intends to continue working but wishes to request a change in hours or duties, [form FLEXAF: Application For Flexible Working](#) 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.

5.10. An employee can declare his or her intention to retire at any time by completing form RP1 and by providing the appropriate period of notice of his or her retirement. If s/he chooses to retire earlier than the pensionable age, and is a member of the USS or CPS, his or her pension benefits may be actuarially reduced in line with the terms of the relevant scheme. S/he should therefore seek guidance from the [University Pensions Team](#).

5.11. All members of staff have the opportunity to attend a retirement planning event during the two-year period before they reach the age of 65.

## 6. Pensions

### 6.1. Flexible Retirement

6.1.1. Members of the USS pension scheme, who wish to access a portion of their pension benefits while continuing to work in a reduced capacity prior to full retirement, can make a request for flexible retirement. The rules of the USS allow a scheme member to draw part of his or her pension whilst continuing to work and receive a part-time salary. The minimum reduction in current working hours and salary 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](#).

6.1.2. If an employee wishes to request flexible retirement, s/he should complete [form RP4: Application For Flexible Retirement](#) for the consideration of the Head of Institution.

6.1.3. If the employee is a University officer and the period of flexible working requested will not extend beyond the retirement age, agreement can be reached as outlined in paragraph 6.1.4. However, if the proposed period of flexible working extends beyond the retirement age then s/he will need to make a separate application to continue working beyond the retirement age on a part-time basis. For further information, please refer to [Section 7: 'Procedure for University Officers to Continue Employment'](#).

6.1.4. University officers in General Board institutions who wish to take flexible retirement will require the permission of the Head of Institution, in consultation with the Academic Secretary, and the Faculty Board where appropriate. University officers in Council institutions who wish to take flexible retirement will require the permission of the Head of Institution, in consultation with the Registry. The relevant HR Business Manager will be able to advise the employee and Head of Institution of the process for seeking the necessary approval.

6.1.5. The employee will be advised of the outcome of the application in writing. If the request is approved, the employee will receive a letter confirming that s/he has been granted leave to work part-time and setting out the new contractual working arrangements.

6.1.6. If the employee is a member of the NHS pension scheme, s/he should consult the HR Team for the School of Clinical Medicine before considering flexible retirement.

### 6.2. Re-employment or Re-engagement of Retired Employees

6.2.1. It is recognised that there will be occasions when an individual has fully retired from the University but wishes to return either as an employee or as a worker via the Temporary Employment Service. Before considering a return to the University, the individual and/or the recruiting manager should consult the Pensions team to establish whether the individual's pension scheme permits re-employment or re-engagement.

6.2.2. The following information is correct as at 1 October 2016. However, the rules of the different pension schemes are amended from time to time so it is important to seek up-to-date information before making a decision to return to the University.

6.2.3. The Contributory Pension Scheme (CPS)<sup>2</sup> rules do not include any restrictions on the re-employment or re-engagement of retired employees in receipt of a CPS pension.

6.2.4. The Universities Superannuation Scheme (USS)<sup>3</sup> rules set conditions around the re-employment or re-engagement of fully retired employees in receipt of a USS pension. Within the

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<sup>2</sup> The occupational pension scheme for Assistant members of staff

<sup>3</sup> The occupational pension scheme for Academic, Academic-Related and Research members of staff

first month, a USS 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; and
- The member of staff has not taken early retirement and drawn their USS pension as part of a redundancy package.

6.2.5. It cannot be agreed with an employee before s/he retires 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 gives 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 are required to complete a written declaration to this effect.

6.2.6. If the retired employee is a member of the NHS pension scheme, s/he should consult the HR Team for the School of Clinical Medicine before considering re-employment or re-engagement.

6.2.7. As part of the pensions auto-enrolment provisions, any retired employee that is re-employed or re-engaged will be auto-enrolled into the relevant pension scheme for the new post and will subsequently be able to opt out of those arrangements if s/he so wishes.

## **7. Procedure for University Officers to Continue Employment**

### **7.1. Applications to Continue Employment**

7.1.1. A University officer who wishes to continue his or her employment for a limited period of time beyond the retirement age should discuss his or her intentions with the relevant Head of Institution at the earliest opportunity. If s/he wishes to proceed, s/he will need to complete Part A of [form RP2: Application To Continue Working Beyond The Retirement Age](#). The completed form should be submitted to his or her Head of Institution, along with a Curriculum Vitae<sup>4</sup> by 31 December, 21 months before the retirement age.

7.1.2. The Head of Institution will meet with the University officer to discuss the details of the requested continuation of employment. The request will be considered against the [evaluative 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](#).

7.1.3. Following consideration of the request, the Head of Institution will complete Part B of [form RP2: Application To Continue Working Beyond The Retirement Age](#) confirming whether or not the institution supports the individual’s continued employment, taking into account whether the application meets the evaluative criteria. The completed form should be submitted to the relevant HR Business Manager, along with the applicant’s CV.

7.1.4. The HR Business Manager will arrange for the application to be considered by the relevant body. For example, the Needs Committee (or equivalent) if the applicant is in a School or the Registry if the applicant is in a Non-School Institution. The HR Business Manager will collate the appropriate documentation confirming the position of the institution then submit the completed application pack to the Secretary of the Retirements Central Approval Committee for its consideration by 28 February, 19 months before the retirement age. The individual will be advised of the outcome of the application in writing and will be provided with written reasons for the Committee’s decision.

7.1.5. Subject to meeting the evaluative criteria, only one extension of employment will be granted to a University officer.

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<sup>4</sup> The Curriculum Vitae should be a maximum two pages/four sides of A4 in length, including publications

7.1.6. 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. 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.

7.1.7. The University will continue to rely on retirement as a reason for ending the employment relationship at the end of this fixed period or employment, including where there have been successive extensions. Similarly, University officers who have retired but are seeking re-employment in any capacity will remain in scope of the retirement age and their re-employment will be subject to the same approvals process as a request to continue employment beyond the retirement age.

7.1.8. During the period of extended employment, Heads of Institution should continue to meet annually with members of staff whose employment has 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.

7.1.9. A University officer will be permitted to choose whether a period of extended employment is paid or unpaid. If paid, any salary progression will be managed in line with the relevant reward scheme.

7.1.10. A University officer may apply to continue working beyond the retirement age on a part-time or full-time basis. If s/he intends to work in a part-time capacity then s/he may wish to draw part of his or her pension benefits to supplement the part-time salary. Such an arrangement would be treated as Flexible Retirement under the rules of the USS. For further information, please refer to [Section 6.1: 'Flexible Retirement'](#).

## **7.2. Criteria for Evaluating Requests**

7.2.1. An extension of employment may only be granted in very exceptional circumstances, where:

- The individual concerned is the most appropriate person able to complete a specific project or task that is already underway;
- The individual concerned is the most appropriate person able to secure the full benefit of a project already completed;
- The individual concerned is the only person able to attract specific and significant funding; and/or
- It would enable effective planning for departure and recruitment.

7.2.2. In all cases, an extension must not undermine the aims of the EJRA and must be aligned to the strategic aims of the relevant institution.

## **7.3. Constitution of Retirements Committee**

7.3.1. The Retirements 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 and decide whether or not to approve individual requests. Requests will therefore be considered and individuals notified of the outcome approximately 15 months before they reach the retirement age.



7.3.2. The Committee will comprise the following individuals:

- Pro-Vice-Chancellor for Institutional and International Relations (Chair)
- 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

#### **7.4. Appeal Procedure**

7.4.1. Where a University officer is dissatisfied with the outcome of a request to continue his or her employment beyond the retirement age, s/he 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.

7.4.2. Appeals will be heard by an Appeal Committee appointed by the Council consisting of a Chair 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.

7.4.3. 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 in writing within seven days of the hearing.

7.4.4. The Appeal Committee may decide to vary the above procedure as it deems appropriate. The decision of the Committee will be final.

#### **7.5. Timeline for Procedure for University Officers**

Date	Activity
October	HR Division to provide Heads of Institution with reports of employees who will reach the retirement age in two years' time and five 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 30 November	HR Division to deliver retirement planning event
By 31 December	A discussion will have taken place to discuss future plans Applications to continue working beyond the retirement age ( <a href="#">form RP2</a> ) and flexible retirement ( <a href="#">form RP4</a> ) to be completed and submitted
By 28 February	Completed application packs to be sent to the HR Business Manager, along with the relevant documentation to confirm whether the application is supported by the relevant body
By 30 April	Retirements Central Approval Committee meets to consider requests
By 31 May	Individuals informed of outcomes



## 8. Documentation

Document	Purpose
RP1	<a href="#"><u>Notification Of Intention To Retire</u></a>
RP2	<a href="#"><u>Application To Continue Working Beyond The Retirement Age</u></a>
RP3	<a href="#"><u>Record Of Workplace Discussion Regarding Retirement Intentions</u></a>
RP4	<a href="#"><u>Application For Flexible Retirement</u></a>
FLEXAF	<a href="#"><u>Application For Flexible Working</u></a>