



Human Resources

Voluntary Severance (including Early Retirement) Scheme

From time to time, individuals approach University Management seeking terms to leave the University's employment. This can be for a variety of reasons, often lifestyle, and where the University can deliver savings to recover more than the cost of such terms, or achieve other benefits, it may accept such a proposal.

The University believes that there is an opportunity to combine the wishes and aspirations of some staff and those of the University to enable change to take place, by more openly offering a voluntary severance package for staff. Please be assured that the commencement of this package is not linked to any compulsory redundancy plan of the University.

The Voluntary Severance (including Early Retirement) Scheme will be open to any staff member with continuous service of more than one year. Each case will be considered on its own merit and the University is willing to fund a package equivalent to up to 9 months' gross salary (before tax)¹, which could be paid in the form of cash or investment in pension benefits (which could be linked to early retirement opportunities for individuals). The payment for part time staff will be calculated on a pro rata basis.

It is anticipated that staff whose application is accepted will leave the University within one month of the VSER being approved (although earlier or later termination dates may be possible in some instances).

Eligibility

- The University will consider proposals which enable a service provision to be changed in a manner that brings improvement to the University.
- The cost of enabling the severance is to be recovered in the first year after change, and the level of saving or benefit is to be sustained thereafter.
- The scheme is a discretionary one, and voluntary, and is open to all staff with continuous service of more than one year.
- The scheme is dependent upon formal acceptance by the University. There is no contractual right to severance or early retirement conferred by this scheme.
- Each case will be decided on its own merits and must be in the best interests of the University.
- Decisions regarding the acceptance of any application will be made by the Workforce Planning Group or Master.

Options for taking Payments

The payment may be taken as a lump sum voluntary severance payment unless an Early Retirement Funding Charge or equivalent is payable under the rules of the relevant pension scheme in order to permit a member of staff to receive unreduced pension. In this case, the cost of the Early Retirement Funding Charge to the pension scheme would be offset against the voluntary severance payment.

Returning to the University

Staff who take voluntary severance payments or early retirement will be unable to be re-employed by the University within 24 months of leaving, without repaying the enhanced severance package.

Initiating the process

Any member of staff who wishes to be considered under the above scheme should complete the attached expression of interest form (Appendix 1) and forward it to Human Resources. Human Resources will acknowledge receipt of the expression of interest and will contact the Head of School/Unit asking if the case is supported and requesting the provision of the business case to demonstrate an

¹ Please note that gross salary does not include employer costs

improvement to the University, recovery of costs in the first year after change and that this level of saving or benefit can be sustained thereafter.

Staff should be aware that submitting an expression of interest does not commit them at this stage to proceeding with voluntary severance or early retirement. Where it is determined that consideration in principle should be given to the expression of interest, the member of staff will receive full written details of the proposed arrangement and will be asked to confirm in writing, at that point, whether or not they wish to proceed. The member of staff is free to withdraw their expression of interest from the consideration process at any stage up to and including this point. Once they have formally accepted the voluntary severance/early retirement package, they may not withdraw their application.

Payment of voluntary severance or termination by reason of early retirement will be conditional upon the employee entering into a Settlement Agreement with the University.

To enable the assessment of any equality related issues, Human Resources will record details of all expressions of interest received and will monitor these against outcomes.

Obtaining Pension Information

Where the member of staff is eligible to take early retirement, Human Resources will obtain an indicative pension benefits estimate along with any associated costs on receipt of an expression of interest. This information will be forwarded to the member of staff as part of the decision making process.

In cases where the cost of the release of pension benefits is in excess of the severance payment available, the member of staff will be advised of this. The University may still meet the additional cost where exceptionally the business case justifies it.

Members of staff are encouraged to seek independent financial advice before making any decision regarding their pension.

Decision Process

As outlined above, the Workforce Planning Group or Master will consider the applications with three potential outcomes:

Case Refused – if in light of the consultation process it is clear that the case cannot be supported at this time, Human Resources will write to the member of staff to explain this and the case will not progress.

Case deferred – in some cases it may not be possible to reach a decision straight away since it may be dependent on other decisions yet to be made, such as in relation to wider staffing requirements. Where it is not possible to make an early decision, Human Resources will write to the member of staff to explain this, and, where possible, give an indication of the likely decision making timescale.

Case agreed – where it is agreed that a case may be supported, Human Resources will write to the member of staff with full details of the proposed voluntary severance/early retirement arrangement.

Further information

Advice and guidance on the VSER scheme can be obtained from Human Resources on ext 3096 or email humres.

Human Resources

April 2014

Revised October 2014 – second round

Application/Expression of interest for Voluntary Severance and Early Retirement

I would like to be considered for Voluntary Severance (Early Retirement) under the terms detailed in the Voluntary Severance (Early Retirement) Scheme (October 2014)

| | |
|--------------|--|
| Name: | |
| Job Title: | |
| School/Unit: | |
| Grade: | |

Leaving date will be within one month of VSER being approved. If you believe an earlier/later leave date is more appropriate, please provide the rationale for this:

Please indicate the option you are interested in applying for (tick as appropriate):

Option A

I do not contribute to USS or S&LAS. I am interested in taking Voluntary Severance from the University.

Option B

I contribute to USS or S&LAS. I am interested in taking Voluntary Severance and defer benefits in the Scheme until a later date. OR

I contribute to USS or S&LAS. I am interested in taking Voluntary Severance and wish to release my retirement benefits on the same date.

Signed: Date:

Please return completed form to Mairi Stewart, Director of Human Resources, The Old Burgh School, Abbey Walk.