



University of
St Andrews

Retirement policy (fixed retirement age)

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Purpose	This policy sets out the basis for the University's decision to have a fixed retirement age for all employees.

Version number	Purpose / changes	Document status	Author of changes, role and school / unit	Date
1.1	New appendices added	Published	Lisa Harley HR	09/07/2020

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1. Policy statement

- 1.1 The University has decided, having consulted with the recognised Trade Unions (UCU, UNISON, UNITE) and its employees that it is appropriate to have a fixed retirement age applicable to all employees.
- 1.2 Employees are of course free to retire before the fixed retirement age. The University recognises that employees may wish to consider changing their working patterns as they approach retirement and is receptive to requests for flexible working from employees of all ages. For further information, see our [Flexible Working Policy](#).
- 1.3 The University is proud to employ people of all ages and considers age diversity as beneficial to the institution. The University will not discriminate against employees because of age and adheres to the principles set out in its [Equality and Diversity Inclusion Policy](#).
- 1.4 [Appendix B](#) and [appendix C](#) provide important information regarding retirement and should be read in conjunction with this policy.

2. Purpose

- 2.1 This policy sets out the basis for the University's decision to have a fixed retirement age for all employees and the fact that this decision will be kept under review.
- 2.2 This policy sets out what steps the University will take to meet with you, as you approach the fixed retirement age, enabling you to express your preferences and expectations and enabling the University to plan for the future.
- 2.3 This policy does not form part of your contract of employment and the University may amend it from time to time as appropriate.

3. Fixed retirement age

- 3.1 The University has a fixed retirement age which is the 31 July following an employee's 68th birthday. The University considers the following as legitimate business reasons for this fixed retirement age:
 - Safeguarding the high standards of the University in teaching, research and professional services;
 - Promoting inter-generational fairness and maintaining opportunities for career progression for those at particular stages of a career, given the importance of having available opportunities for progression across the generations, in order, in particular, to refresh the academic, research and other professional workforce and to enable them to maintain the University's position on the international stage;
 - Facilitating succession planning by maintaining predictable retirement dates;
 - Facilitating flexibility through turnover in the workforce, especially at a time of headcount restraint, to respond to the changing business needs of the University;
 - Minimising the impact on morale by using a predictable retirement date to manage the expected cuts in public funding by retiring staff at the default retirement age; and
 - Avoiding performance management and redundancy procedures to consider the termination of employment at the end of a long career, where the performance of the individual and/or the needs of the University have changed.

3.2 The University will review whether this fixed retirement age remains necessary from time to time and will let you know if we believe it needs to change.

4. What to expect as you approach the fixed retirement age

4.1 Your Head of School/Unit will arrange to meet with you well in advance of your retirement date to discuss any relevant issues, such as whether a handover period is necessary or how your skills could be migrated to others within the University. It would also be an opportunity for you to raise any issues that you consider pertinent, such as whether you would like to work beyond the retirement date or in a different capacity. Ideally this meeting should take place at least 10 months before your retirement date, but in some cases a shorter period may be appropriate. You or your manager may decide that it is beneficial to meet on more than one occasion.

4.2 You should feel free to initiate a workplace discussion with your manager about your future plans with regard to retirement at any time. You may want to retire earlier than the fixed retirement date; work flexibly or in an alternative role in the period leading up to retirement. If so, you should raise this with your Head of School/Unit in order that a discussion can take place without any commitment by either party.

5. Termination of your employment for retirement

5.1 Under your contract of employment, your employment will automatically terminate at the end of the financial year (31 July) after your 68th birthday. The University will write to you, six months before this date to confirm your retirement date in line with the above.

6. Can you work beyond retirement?

6.1 If you would like to work beyond retirement, you may raise this with your manager and the University will consider your request in light of surrounding circumstances, including our business reasons for having a fixed retirement age. The decision whether to grant a request to work beyond retirement will be made by the Workforce Planning Group following discussion with your manager. There is no guarantee that consent for one employee to work beyond retirement implies that the University will always grant such requests. The University will aim to treat employees consistently in this regard, subject to the needs of the University. If you wish to work beyond the fixed retirement age, please complete the [Request to Work Beyond Retirement Form](#). **A word version of this form can be found on the [HR policy page](#) or via the following [link](#).**

7. Appeal

7.1 Appeals against the decision of the Workforce Planning Group must be lodged, in writing, with the Director of Human Resources within 14 days of decision being communicated.

7.2 The panel will consist of one member of Court, who will be the Convener, a member of the Principal's Office who was not involved in the original decision and an appropriate Head of School/Unit. The Director of Human Resources or authorised delegate will act as secretary to the appeal panel. The panel will be supplied with all the available evidence.

7.3 The appellant may be accompanied to the meeting by a trade union representative or another member of the University. The Workforce Planning Group will be represented at the meeting. In addition, it may be necessary for the Head of School/Unit to attend. No member of the Appeals Panel will have had any involvement in the earlier decision-making process. The

panel will be required to deliver its verdict on the appeal within 10 working days of the final meeting taking place.

Version number	Purpose / changes	Document status	Author of changes, role and school / unit	Date
1.0	Migration of the policy to the Governance Zone.	Published.	Lisa Stewart Human Resources	01/07/2019
1.1	New appendices added	Published	Lisa Harley HR	09/07/2020

Appendix A: Request to work beyond retirement form

A word version of this form can be found on the [HR policy page](#) or via the following [link](#).

Name:			
School/Unit:			
Line manager:			
EJRA Date:			
Length of extension requested:			
Proposed working arrangements for the extended period. Please confirm why it would be of benefit to the University to allow you to continue in your role.			
Signed:		Date:	

Please submit to line manager for review and consideration.

Line manager's statement				
Is this request supported?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Please give justification for your decision including the benefits to be gained:				
Signed:		Date:		

Please submit to the [Director of Human Resources](#).

Appendix B: Pension related retirement

Early/normal retirement

USS

The Normal Pension Age (NPA) with USS will rise with future increases to the State Pension Age (SPA). The Government has already confirmed that the SPA will rise to 66 by October 2020, and then to 67 between 2026 and 2028, therefore the NPA with USS will increase accordingly.

Retiring earlier than the NPA with USS is possible, and the earliest a member can retire is age 55. If a member elects to retire earlier than the NPA (excluding retirement due to ill health), the benefits received will be reduced by approximately 4% for each year you retire prior to the NPA due to the expectation that the benefits will be paid over a longer period.

S&LAS

The Normal Pension Age (NPA) with S&LAS is age 65, unless membership commenced prior to 1 May 2008, then the NPA is age 60.

Members can elect to retire prior to their NPA with the Scheme, if the member is over age 55. Benefits will be reduced on a scale agreed by the Scheme's Actuary due to the expectation that the benefits will be paid over a longer period.

Flexible retirement

USS

Flexible retirement allows an employee, with the University's agreement, to release between 20% and 80% of their USS benefits if the employee reduces their hours and salary by at least 20%.

Benefits can be released in two stages whilst continuing to work. Benefits may be reduced for early payment if released before the scheme's Normal Pension Age (NPA).

S&LAS

The Scheme rules for S&LAS do not permit flexible retirement.

Late retirement (USS and S&LAS)

Active members of USS and S&LAS can choose to retire later than the Normal Pension Age (NPA) and will therefore continue to contribute and accrue benefits in the Scheme until the member retires.

Benefits built up after NPA will receive an additional increase once the member retires, as benefits will be released later than intended. Whilst members continue to contribute to USS and S&LAS, members will remain covered for death in service and incapacity.

Ill health retirement

USS

If a member of USS is unable to continue working due to partial or total incapacity as a result of long-term illness or injury, members could receive their retirement benefits early.

Under the Scheme Rules of USS, there are two levels of incapacity cover, partial and total incapacity.

Partial incapacity applies where a member is unable, in the long term, to perform their own job or any similar job, but may be able to undertake some other level of employment. Benefits accrued up to the retirement date will be released by USS with no enhancement or reduction applied.

Total incapacity applies where a member is deemed, in the long term, to be unable to undertake the duties of their own job or any other employment. If the Trustees of USS approve the application, members will receive unreduced enhanced benefits.

In order to be eligible for early payment on the grounds of partial or total incapacity members must:

- be under 65;
- have completed two years' active membership in USS at the date of the proposed retirement, and;
- be in the opinion of the University to be suffering from long-term sickness or infirmity.

If an application is declined by USS, members can reapply for ill health retirement, but USS will only consider the new application, if the application and medical reports are submitted more than six months after the previous application was declined.

S&LAS

If a member of S&LAS has to stop working due to permanent illness or incapacity, as defined in the Scheme rules, members may retire on an immediate ill health pension, with Trustee approval.

If a member has:

- more than 2 years' pensionable service, but less than 5 years, and applies for early retirement due to ill health, benefits will be released with no enhancement or reduction applied.
- more than 5 years' pensionable service, the member will receive their benefits with no reduction and will receive an enhancement for the same number of years already accrued to the maximum of 10 years.

In both scenarios the extra pensionable service will be limited to ensure the total number of years of pensionable service will never be greater than the total number of years of pensionable service that could have been built up if the member remained in the Scheme until age 65.

Members should note that retirement is due to permanent illness or incapacity. If the condition improves, the Trustees can stop, suspend or reduce the enhancement that has been applied.

Important information

The University and the pension funds (USS and S&LAS) are separate entities. The Trustees of each pension scheme set the Rules for the scheme, and they may change the Rules at any time. Therefore, the provisions described in this document may be subject to change by the relevant pension scheme, and it is essential that up-to-date information is gathered before any decision is made.

If there is any conflict between what appears in this document and the Rules of the USS or S&LAS pension schemes, the Rules of the pension scheme and the decisions of its Trustees take precedence.

Additional Information

More information can be found:

- **USS:** <https://www.uss.co.uk/members/members-home/retiring>
- **S&LAS:** https://www.st-andrews.ac.uk/media/human-resources/salariespensions/pensions/Scheme_Booklet_August_2017.pdf

Appendix C: Additional pension related information

Voluntary Severance Early Retirement (VSER)

The Voluntary Severance Early Retirement (VSER) Scheme is open to any employee with continuous service of more than one year. More information on the VSER Scheme can be found in the [Voluntary severance \(including early retirement\) policy](#).

Winding down

The University will consider a period of “winding down” prior to retirement. “Winding down” is when the employee remains employed but undertakes a reduced remit of duties/less senior position, which in turn will impact on current salary/grading.

Another variation of “winding down” is where there is a reduction in hours of work prior to retirement, rather than a change of duties.

Depending on the duration of the reduced remit/reduction in hours, this may have an impact on the overall retirement benefits for the employee. Winding down can be tied into early retirement where there is a tangible benefit to the University.

Those interested are strongly encouraged to consult the [Pensions Administrator](#) regarding the likely effect upon pension benefits and to seek independent financial advice.

Re-engagement

Re-engagement may be permitted under the terms of this policy at the discretion of the University, and in accordance with any regulations and/or conditions applied by any external body. Re-engagement is where the employee retires from the University and therefore has access to their retirement benefits but is re-employed by the University on a reduced hours/fixed term and different duties contract. The University may support re-engagement because it allows for service levels to be maintained by the University or because it allows new employees to be trained by recently retired employees in a managed way.

Flexible Working

Flexible Working allows employees to request a change to their working arrangements. Detailed information on how to request a change to your working arrangements can be found in the [Flexible working policy](#).

Process for retiring

Once the employee has obtained the necessary information from the Pensions Office, and has taken the decision to proceed with retirement, the employee should discuss this matter with the relevant Head of School/Unit.

Written confirmation is required to be sent to the Pensions Office, confirming the date of retirement. The Pensions Office will inform the relevant Scheme accordingly, and retirement options and paperwork will be issued as soon as it is received from the Scheme.