

FLEXIBLE RETIREMENT POLICY

1. INTRODUCTION

This document sets out the University of Suffolk's approach to staff who wish to consider their flexible retirement options and our duty to ensure implementation in line with the rules of the relevant pension scheme, either Universities Superannuation Scheme (USS) or Local Government Pension Scheme (LGPS). The arrangements described herein apply to all University of Suffolk staff who meet the criteria for requesting flexible retirement in accordance with their pension scheme rules.

2. FLEXIBLE RETIREMENT POLICY

In line with USS and LGPS retirement benefit options, the University of Suffolk offers the option of 'flexible retirement' for staff as part of its suite of flexible working practices designed to support our staff in managing their work-life balance and whilst keeping compatible with our ongoing business needs.

This arrangement is designed to assist both the University and its staff in its approach to supporting staff who wish to reduce their time spent working by taking advantage of some of the benefits they have accrued whilst a member of an occupational pension scheme. Good succession planning is supported whilst benefitting from retaining experienced staff on a reduced hours basis.

Flexible retirement options are open to staff, aged 55 and over, who are members of either the USS or LGPS schemes. Applications are made in accordance with the rules and procedures set out below, as required by the University and by the respective pension schemes. There is no automatic right to the granting of flexible retirement, we will consider applications in keeping with our business needs.

The following information explains the current arrangements and is subject to change if the Schemes' rules are amended, as may happen from time to time. Full details of the specific scheme options are available from the pension providers, either USS or LGPS.

3. WHAT IS FLEXIBLE RETIREMENT?

Flexible retirement is where a member of staff (age 55 or over), who is an active member of either USS or LGPS, continues to work, but on reduced hours and with a reduction in salary, in exchange for taking a pro-rata portion of their accrued pension. The agreement to reduce hours and therefore salary, is a permanent amendment to contract, agreed by employee and employer.

Under this arrangement, employees can take a maximum of 80% of their accrued pension benefits in exchange for a reduction in contracted hours and salary of at least 20%. Staff can 'flex' ie flexibly retire with a reduction in hours and taking pension on a maximum of 2 occasions (whilst remaining within the 20% minimum/80% maximum), before having to fully retire should/when a 3rd application is made.

Pension entitlement will be reduced for early payment if drawing it before your scheme's normal retirement age. The reduction is based on your age each time you flex. If you take your first flex at 55, and the second at 60, the reduction will be greater the first time than the second.

Whilst you are flexibly retired, you continue to accrue the benefits of the pension you have not accessed and you continue to pay contributions, thereby building up further benefits based on the reduced hours and salary.

4. ELIGIBILITY TO REQUEST FLEXIBLE RETIREMENT

For USS, members must be at least age 55, have at least 2 years' qualifying service and receive management agreement, having applied through the Flexible Working policy to flexibly retire.

USS does not currently allow deferred members or multiple appointment members to take flexible retirement.

LGPS members must be at least age 55 and have management consent, and you may flexibly retire if you reduce your hours or move to a less senior position with an accompanying reduction in pay.

5. HOW DO I APPLY FOR FLEXIBLE RETIREMENT?

You must give at least 2 months' official notice of an intended flexible retirement date to the relevant pension scheme. As a request to the university is by way of a Flexible Working application form you should allow sufficient time for the internal process to take place and for requests to be fully considered before a formal application can be made to either USS or LGPS. We recommend that staff start making enquiries to POD about the process at least 4 months before the intended date of start.

- Check with your pension scheme the financial implications of the options you are considering. The USS website contains useful documentation as well as a modeller to give you some quick estimates. Both Schemes allow you access to your personal account via their portal, enabling you to view flexible retirement options illustrations.
- For more specific information, USS members can log onto their online portal for a personalised estimation. LGPS members should also contact POD in the first instance. Further pension information may then be requested by the member directly to LGPS.
- If in doubt as to the benefits that are available to you and which is your best option, it is recommended that independent financial advice is sought before committing to a pension choice.
- As well as the pension implications, you may also require information on the impact of reducing your working hours on your salary and on how you carry out your role. Please speak to your People Business Partner about this.
- Having explored the financial implications of flexible retirement, you may wish to discuss your intention to apply with your line manager. After then, you should complete and submit your formal application to

your line manager bearing in mind the lead in times and notice requirements. We recommend you apply at least 4 months ahead of the anticipated date to start your flexible retirement.

6. HOW IS MY REQUEST CONSIDERED?

As with all requests for flexible working, applications must be on a Flexible Working application form. It will be considered in the same way as other flexible working requests, and account will be taken of other staff members' current flexible working arrangements and any other contemporaneous staff applications for flexible working arrangements. University of Suffolk is supportive of flexible working arrangements, but there are occasions where a request may not be approved for several business reasons, for example;

- The burden of additional costs
- Detrimental effect on the ability to meet client demand
- Inability to reorganise work amongst existing staff
- Inability to recruit additional staff
- Detrimental impact on quality or performance
- Inability to match hours with sufficient work
- Planned structural changes

7. WHAT HAPPENS IF MY REQUEST IS APPROVED?

Approval means that a permanent change to your contract has been agreed. You will receive a letter from POD confirming the effective date of changes in hours and salary and associated pro rata changes on the basis that you will be flexibly retiring on the same date.

At the same time, you will complete the appropriate paperwork to inform your pension scheme that you are flexibly retiring and to choose your pension options. POD can advise on the process not on the financial benefits of the pension options. The above may apply on two separate occasions should you 'flex' twice whilst remaining employed at University of Suffolk. You may only apply once in any 12-month period.

8. WHAT HAPPENS IF MY REQUEST IS REFUSED?

There is no automatic right to flexible retirement but we will try and accommodate a request wherever possible. If we are unable to agree to your request, you will receive a letter from POD confirming that outcome and the business reasons for this decision. You have a right of appeal in line with the Flexible Working Policy.

You may apply again after 12 months from the date of the application that has been refused.

If it is refused, you are not able to flexibly retire. You retain the normal retirement rights i.e. to retire entirely from your job at University of Suffolk and take your pension as has been accrued at the date of retirement, or you remain in employment on your usual terms and conditions.

9. LGPS – DISCRETIONARY POWERS IN RELATION TO FLEXIBLE RETIREMENT PROVISION UNDER THE LGPS

The Local Government Pension Scheme Regulations 2013 requires all scheme employers to publish and keep under review a written policy statement on how they will apply their discretionary powers in relation to certain provisions of the LGPS. Notwithstanding the above details of the University of Suffolk Flexible

Retirement policy, the University is therefore also required to specifically state its policy with regard to the LGPS in relation to the provision for flexible retirement for Suffolk's scheme members.

The University of Suffolk's Flexible Retirement policy is to consider all requests for flexible retirement for staff who are aged 55 or over provided that the employee has a permanent reduction in salary of at least 20% (and a maximum of 80%). For the purposes of this section of the policy, reference here is specifically for LGPS members. The outcome of the application is determined according to the business case and the University ensuring that there will be no adverse impact on the business.

10. FURTHER INFORMATION

www.uss.co.uk

Relevant documents : USS Flexible Retirement Factsheet

www.lgps.org.uk

www.suffolkpensionfund.org/

<https://www.gov.uk/browse/working/state-pension>

www.pensionwise.gov.uk