UNIVERSITY OF LINCOLN

Flexible Working into Retirement Policy

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DEPARTMENT OF PEOPLE, PERFORMANCE AND CULTURE

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1. Purpose

1.1 Flexible working into retirement is an option for employees to reduce their hours of work (FTE) and salary over a period of time to transition into full retirement with an agreed leave date at the time of application.

Flexible retirement can be applied in two ways:

- Reduction to hours and salary with a view to take their pension later.
- Reduction to hours and salary and the option to take phased retirement through the pension provider to top up their earnings.

Application for flexible retirement must be for a minimum period of 2 years with a reduction to FTE but not extending past 5 years with the intention of fully retiring at the end of the period.

The University is committed to supporting a healthy work-life balance for all employees which extends to planning working arrangements up to retirement as well as navigating the transition from work into retirement.

For the University, flexible retirement offers a means of retaining key staff who might otherwise leave on full retirement without a smooth transition and succession planning. By the employee reducing their hours over a period, this allows other key members of staff in the department to gain experience and development, allowing internal succession and promotional activities.

Where an employee holds a work visa, a change in hours or role may require a fresh application for a work visa to be made.

2. Eligibility

2.1

- Employees must be aged over 55 with at least two years continuous employment.
- Employees on a variable hour's contract are excluded from flexible retirement.
- Employees who have passed the normal pension age and are still in full time employment may still apply for flexible retirement.

3. Criteria

3.1

- The roles and responsibilities relevant to the policy document. Applications for flexible retirement are to be planned over 2-to-5-year period, with a planned decrease to FTE. The lowest FTE prior to fully retiring cannot be lower than a 0.10 FTE whilst continuing to undertake duties. An agreed plan must result in the employee retiring in fully from the organisation and represents an agreement as a resignation at that point.

- In the event a colleague had a significant change in personal circumstances, i.e the death of a spouse / partner or ill health, their application would be reviewed with the Department of People, Performance and Culture (PPC) and the employees Line Manager.

- The agreed final retirement date could be at any future date, provided it was at least 24 months after the first flexible retirement reduction.

- For full time employees a reduction of 20% would be 1 working day per week.

- Increments (where applicable) and National pay Negotiations would still be applied to the reduced salary.

- Other payments may be pro rata dependant on the nature of the payment.

- Where an employee has more than one post, consideration of whether the reduction to FTE is to be applied to all roles.

- No more than one change to FTE per 12 months. Wherever possible, the FTE change should be aligned to the start of the academic year to support workforce planning.

- As Flexible retirement and pension options are independent of each other, applications for flexible retirement can commence with phased pension options at a later date.

- Where an employee should wish to take both flexible retirement (reduction to FTE) and Phased pension retirement (through their pension scheme), all considerations and financial impact should be explored. There is not a fixed ratio between the amount of pension taken and the reduction to salary.

- An agreed Flexible Working into Retirement leave date may be subject to change in the event of redundancy, grievance, disciplinary or dismissal.

- Employees may submit a formal request in writing to amend their agreed application in the event of a significant life event where the agreed hours need to be changed. This is subject to approval by the Head of Area.

- All applications are to be approved by Head of Area, Finance and the Department of PPC.

- Employees under an agreed flexible working into retirement plan will not be considered for a voluntary severance scheme.

- Flexible retirement would introduce a welcome degree of certainty into retirement and succession planning in the case of those employees who no longer have a fixed retirement age (as and when flexible retirement becomes available to them).

4. Timescales

4.1

- A flexible retirement application must be submitted and agreed at least three months in advance of the start date to the first reduction to FTE.

- Where flexible retirement coincides with the taking of pension benefits, employees should check with the Pension scheme regarding application timescales to ensure the application can be processed in a timely manner when taking flexible retirement and phased retirement concurrently.

- Where an application is rejected, a new application should only be submitted once every 12 months or the start of the new academic year, where possible.

5. Support

5.1 The University offers a comprehensive financial education and wellbeing programme to run in parallel and support employees planning their retirement. All employees applying for flexible working into retirement, are encouraged to engage with the financial education programme.

6. Interaction with Pension and other benefits

6.1 The option for an individual to reduce their working arrangements in the run up to retirement is independent of whether they draw any pension benefits they may have built up in their workplace pension scheme or other pension arrangement.

The ability to access pension benefits will depend on factors such as the member's age and the specific pension scheme rules.

Employees may wish to seek financial advice with their pensions and savings provides, before proceeding.

7. Process

7.1 Informal discussion

7.1.1 Section sub-content; Best practice is for the employee and Line Manager to have an informal discussion of the employees wish to take flexible retirement.

This allows both parties to agree a suitable approach and agreed terms.

Requests to adjust an employee's FTE can be completed using the *Flexible Retirement Application* Form available on the Department of PPC portal. Requests are considered based on the operational needs of the University.

To make a request under this provision, an employee is required to have worked for the university continuously for at least two years as at the date the request is made.

An employee would be required to provide at least three months formal notice, prior to their selected date, of their intention to work flexibly into retirement as well as a timeframe for transitioning into retirement.

Where an employee is also applying for pension benefits, consideration should be given to the pension scheme's processing timescales.

A Flexible Working into Retirement request should be in writing to the line manager using the Flexible Retirement Application Form. Employees may only make one request per year. Successful requests will result in a permanent change to terms and conditions of employment which must last for at least 12 months or 1 academic year. This does not affect the employee's right to resign within that period.

Within 28 days of receiving a request, the Department of PPC and the Line Manager will arrange to meet with the employee. The meeting will explore in depth the proposed work pattern and reduction in responsibilities and discuss how best it might be accommodated. The employee may be accompanied by a colleague or Trade Union Representative.

Within 14 days of the date of the meeting, the Line Manager will write to the employee with the decision (made in conjunction with the Head of Area) on the new working arrangement and an intended start date if approved or alternatively provide the clear business grounds as to why the request has been refused and the reasons for these grounds together with an explanation. The business grounds are limited to the following areas:

- The burden of additional costs
- Detrimental effect on ability to meet student experience/needs or internal customer demand
- Inability to reorganise work amongst existing staff
- Inability to recruit additional staff
- Detrimental impact on professional standards (quality)
- Detrimental impact on performance
- Insufficient work during the periods the employee proposes to work
- Planned structural changes

Should an employee who has accessed part of their pension subsequently become ill it is possible for that member to subsequently apply and receive ill-health retirement benefits.

8. Decisions and considerations

8.1 Flexible retirement may only be granted with the consent of the University.

All requests should be given timely and careful consideration and should not be rejected unreasonably, however:

The department may reject an application outright; or

May require a change in the nature of the request as a condition for acceptance.

Examples of consideration factors:

8.2 Delivery

8.2.1 When deciding, the department should take into consideration its business needs and the potential impact on the employees work colleagues as well as the employee making the request.

8.3 Cost

8.3.1 Does the request of the employee entail a saving in salary through succession planning or are there other factors which mean that the costs of filling the gap in hours are higher than the savings, for example a higher FTE in the role?

8.4 Impact on colleagues

8.4.1 Can the employee request be agreed without detrimental impact on other colleagues?

8.5 Workload

8.5.1 Can the request of the employee be met by simply reducing their working hours in the same role, or will other alternative roles need to be considered and a potential move to a different post.

8.6 Personal Circumstances

8.6.1 Are there any exceptional circumstances that need to be taken into consideration when reviewing the application?

8.7 Timing

8.7.1 Are there any major events or cycles of activities which need to be factored in that fall during the employees reduced hours.

8.8 Planning

8.8.1 The manager/head of area should contact Human Resources to discuss succession planning within the department and development requirements to ensure no loss of critical knowledge or skills as part of this process.

8.9 Communication and appeal

8.9.1 The decision should be communicated in writing to the employee by the Department of PPC and the Head of area.

The Department of PPC will issue new contracts, or contract variations as appropriate.

8.10 Right to appeal

8.10.1 If the employee is dissatisfied with the outcome of the flexible retirement request, the employee can exercise their rights under the University grievance procedure. The University's expectation is that this would normally be raised by the employee within 10 days of the date of the written decision.

9. Process Flowchart from the Flexible Working into Retirement Policy

9.1

