

Policy

Title: FLEXIBLE RETIREMENT (Version 2)

Ref: Human Resources / Finance

Last updated: 03 12 2015

1. Introduction

Flexible retirement is a scheme which allows employees, with University approval, to achieve a mix of retirement and continuity at work. The employee reduces their hours of work and gives up part of their salary in exchange for part payment of their pension*. **Employees wanting to reduce their hours or change their working pattern, without accessing their pension benefits, should consult the [Flexible Working Policy](#).*

The University strongly advises employees to seek independent financial advice before making any decisions regarding flexible retirement or reducing their hours.

2. Eligibility

The option to request flexible retirement is available to employees who:

- have been continuously employed by the University at least for 26 weeks at the date the application is made
- have not made a request for flexible retirement within the previous 12 months
- are aged 55 and over
- are members of a pension scheme which allows them to reduce their hours of work and draw on their pension.

3. General Principles

The following will apply (subject to the rules of the employee's Pension Scheme):

- a request to flexibly retire will be permanent
- an employee may request up to two flexes of their hours/pension before taking full retirement*
- At each flex PASNAS members must reduce their working hours and salary by at least 20%
- PASNAS members can draw a minimum of 20% and up to a maximum of 80% of their benefits. If the member 'flexes' the maximum 80% on their first flex they must then fully retire to draw any further benefits.
- flexible retirement is subject to approval by the University and may also be subject to the approval of the employee's pension provider (e.g. PASNAS members need approval from the PASNAS Trustees).
- a change in hours will result in a change of salary and terms and conditions as applicable. Employees will only be paid for the hours they work.
- in normal circumstances an employee who has made a request for a reduction in hours under this policy will not be eligible to increase their hours or to return to their original role
- flexible retirement will be viewed as a precursor to 'exiting' or retiring from the University.
- in normal circumstances, once an employee has fully retired from the University they will not be re-employed.

All employees are advised to consider any salary and pension implications prior to making a Flexible Retirement Request.

Employees must contact their pension provider (or in the case of PASNAS members, the Pensions Office) in order to claim their pension benefits, in line with their flexible retirement arrangements.

**This does not prevent an employee from requesting a further reduction in their hours under the Flexible Working process but they will not be able to access any more of their pension until they retire.*

4. **Criteria**

A request for flexible retirement will be subject to consideration of the business impact of the request including the impact on the work of the Unit/Service and the consequences for other employees. The final decision to approve flexible retirement rests with the authorising manager and will be based on the needs of the business.

Reasons for refusal of a request may include:

- the change would result in a reduction in quality and performance of the function and failure to meet customer needs
- the change would be financially non-sustainable
- the change would have detrimental consequences on other members of the team
- the change would not allow for teaching or research outputs or role to be achieved
- the employee's pension provider has not approved the request (in which case the employee may apply to reduce their hours through the [Flexible Working process](#)).

If the request is refused the authorising manager will provide the employee with a full explanation for the refusal.

5. **Related Policies/Links**

Employees considering retirement may wish to consult the following sources of information:

- Policies and guidance: [Flexible Working Policy](#)
- [Resignation Policy](#)
- [Flexible Retirement Guidance](#)

Websites:

- The HR website - www.southampton.ac.uk/hr
- The Pensions website - www.southampton.ac.uk/finance/payandpensions/

University Colleagues:

- [The Pensions Office](#)
- [Your HR Manager](#)
- Your Line Manager

6. **Maintaining this Policy**

The University will monitor the effectiveness of this policy and its general compliance within the organisation. This policy will be kept up to date and amended accordingly to reflect any changes in response to revised legislation and applicable standards and guidelines.

DATE	REV No	CONTENT	PREPARED BY	APPROVED BY
December 2015	2	Revised to reflect PASNAS pension rules regarding 'flexes'.	K Walmsley	JJNC