

Guidelines

Title: STAFF GUIDANCE ON RETIREMENT & FLEXIBLE WORKING (Version 2)

Ref: Human Resources / Finance

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Introduction

The University does not have a set retirement age and the date you retire is for you to decide.

This guidance is to help you in considering your options. If, once you have read this guidance you would like further assistance please speak to your Line Manager or HR Manager.

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

I am thinking of retiring – what should I do?

If you are considering retiring or hoping to reduce your hours/change your working pattern prior to retirement please discuss this with your manager in the first instance so they are aware of your plans. Discussion may form part of your annual Appraisal but can be raised at any time. Once a decision has been made you will need to write to the manager confirming your resignation and planned leaving date. The University's options for flexible working and flexible retirement can be found in the relevant policies on the HR website.

As part of your Appraisal you and your manager should discuss your future plans. This should be an open and honest discussion which will help you and your manager plan. Options for discussion may include your planned retirement date and whether a change to your working hours and pattern would help you to transition into the next stage of your life. Such discussions will allow your manager to make more informed plans for future resources and service provision. If you wish to explore your options outside of your PPDR your manager would be happy to do so.

You should be reassured that you will be held to no course of action unless you then put in a formal request. Further details are provided below and can also be found in the [Flexible Working Policy or Flexible Retirement Policy](#).

Pensions' information on the implications of any course of action may be sought from University's Pensions website or by contacting them on 22445. The Pensions Office is unable to provide financial advice.

How do I retire?

You need to write to your manager informing them of your resignation and your proposed leaving date. The notice period applicable to you can be found in your contract of employment and on the HR website.

You should also contact the Pension Services section to advise them of your retirement date and to discuss how to claim your pension benefits.

Once your resignation has been accepted by the University there is no obligation to rescind this if you change your mind so please ensure you consider your options carefully before resigning.

If I want to retire how much notice should I give?

Your notice period is in your contract of employment and on the HR website. You should provide the full notice period. Notice periods vary, depending on the level and type of your role so please check that which applies to you (they range from 1 month to 12 weeks (which may not end during a semester). To allow for

payment of your pension benefits you will need to provide a minimum of 3 months' notice so your pension provider can make the necessary arrangements irrespective of your University notice period.

Can I work flexibly leading to retirement?

The University wants to help you transition smoothly into retirement and offers the option of flexible working for everyone. You may want to consider:

- reducing your hours
- changing your working pattern
- changing your responsibilities

Details on the options are available in the Flexible Working and Flexible Retirement Policies on the HR webpage where details are provided on the consideration process of any request.

Pre-retirement course

If you are planning to retire in the near future you may be interested in attending the University's pre-retirement course. Details on this can be found on the training section of the [HR website](#).

Pensions

Pension benefits can be taken from age 55 (or earlier in the case of ill-health retirements) but this will be subject to specific pension regulations and will result in a reduction in your pension benefits.

The state pension age is increasing from the current 65 to 66 in 2020. This is likely to change further and therefore you may want to consult the Government website [Directgov](#) further information.

The University's Pensions Office (pensions@soton.ac.uk) will be able to provide you with an outline of your benefits and a projection of future benefits by contacting the relevant pension scheme. The Pensions website provides links to USS and PASNAS pension scheme modellers. The Pensions Office will also advise you how to claim your pension benefits.

State Pension forecasts information can be found on the [Directgov Pensions and Retirement Planning](#) pages.

Can I increase my pension benefits?

You can increase your 'pension pot' for USS and PASNAS by making additional payments, known as Additional Voluntary Contributions (AVC's). You can find further information on this by accessing the Pensions website and clicking on the relevant pension scheme.

I have heard I can reduce my hours and take part of my pension benefits – is that right?

Under recent pension changes to the USS and PASNAS pension schemes if you are 55 and above you can take a proportion of your pension benefits whilst continuing to work – this is called [Flexible Retirement](#). To do so you will need to reduce your hours and income by a minimum of 20%. You can then claim your pension benefits up to 80% of their current value. You do not need to make the total figure 100% i.e. you could reduce your hours by 50% but only take 20% of your pension benefits.

A reduction in hours under USS and PASNAS schemes is permanent and must be for at least 12 months and once you have reduced your hours this will be used as the basis for pension accrual of service/entitlement. The smaller the proportion of your pension benefits that you take the greater the benefits that you will continue to accrue.

As for all flexible working requests those for flexible retirement will be subject to approval by your line manager who will assess whether they are viable for your employing unit or service.

How will reducing my hours affect my pension?

If you work part time your pension benefits will be accrued on the basis of your full time equivalent salary but with a reduction in the period of time. For instance, if you work 0.5 of full time for one year your accrued service would be your full time salary x 6 months.