



Guideline: Transition to retirement

Purpose

To provide guidance to staff on the options available to them when transitioning to retirement.

Guideline

Introduction

1. The University has several mechanisms available to assist managers and their staff to develop some certainty around plans for retirement.
2. Changes to tax and superannuation laws mean that ANU employees can access a wide range of options (including a pre-retirement contract) to tailor flexible later career pathways, with a view to ensuring a fulfilling and productive transition from full time employment to other alternatives.
3. Continuing staff of the University have discretion in determining their retirement date. An employee or their manager can raise the possibility of a pre-retirement contract at any time. However, superannuation funds can only be accessed at "preservation age" (commonly referred to as 'retirement') which is the age established by the relevant Super fund at which these funds can be accessed (between the ages of 55-60 dependent on date of birth).

Planning for a transition to retirement

4. Retirement, superannuation and tax are complex areas. If you are planning for a transition to retirement, ANU encourages you equip yourself with the knowledge required to ensure the right decision is made at the right time to maximise financial and general wellbeing. ANU encourages you to talk to your manager, your superannuation fund and financial advisor to assist you in making an informed decision.
5. UniSuper and ComSuper offer a range of seminars to their members including seminars on planning for retirement; these are at no cost to members and are held on campus throughout the year. There are also public seminars available at other venues and these are advertised through the superannuation providers' website. Members are able to access individual consultations for financial advice as well as comprehensive on-line and

hard copy resources to enable an informed decision when planning for retirement. For more information please access the Human Resources webpage on [superannuation](#).

6. ANU may offer some financial assistance towards the provision of financial advice for retirement planning purposes. For more information please contact your local Human Resources representative in the first instance.

7. Having determined your preferred option to transition to retirement this should initially be discussed with your manager. They will then liaise with local HR to seek approval from the Director – Human Resources to implement the proposed approach and / or progress further discussions to come to a mutually agreeable solution.

Options

8. Options which may be discussed between staff and managers for a transition to retirement include:

- re-negotiating work hours to make use of fractional (part time) appointments (by agreement this may include employer subsidised superannuation contributions to Unisuper to maintain full time equivalent contributions). Conditions apply and more information is provided below;
- flexible work arrangements where duties are re-focussed to tailor work arrangements to changes in life commitments and sometimes work preferences (example an increased research focus);
- utilising annual or long service leave to reduce hours at work (for instance, taking one day of leave per week);
- incorporating periods of leave without pay, annual leave or long service leave to the transition arrangement (to enable travel for example);
- a formalised arrangement such as a pre-retirement contracts where a retirement date is agreed in writing and the contract is of a fixed term duration (more detail is provided below);
- increased focus on mentoring and coaching junior staff to pass on knowledge and expertise;
- options for the staff member to maintain an association with ANU following their retirement through the conferral of an academic title or appointment to a post-retirement contract for a fixed period (more detail is provided below);
- re-structuring an area in line with strategic direction (see Managing change policy and procedure); or

- voluntary early retirement schemes available to certain employees / groups of employees.

9. Where necessary, the University will consult with relevant unions prior to making such an offer.

Pre-retirement contracts

What is a pre-retirement contract?

10. A pre-retirement contract is a fixed-term contract of employment which is entered into by the University with an employee who has indicated a willingness to commit to a retirement date. The arrangement is facilitated by the conversion of the employee's continuing appointment to a fixed term contract. If sought, and agreed to, a pre-retirement contract will supersede any pre-existing contract of employment between the University and the employee.

11. The pre-retirement contract will specify the date at which employment with the University will end and cannot normally be extended or renewed beyond that date. The period of the pre-retirement contract is generally one to two years and can be terminated by:

- date of expiry being reached;
- the employee i.e. by resignation before date of expiry; or
- the University, in exceptional circumstances such as serious misconduct or on medical grounds.

12. Pre-retirement contracts are entirely voluntary and while generally encouraged by the University they are not an entitlement and will only be offered where the University can see a benefit in terms of workforce planning.

13. Pre-retirement contracts are agreements between individual employees and the University and are discussed and negotiated privately and on a case-by-case basis. As such, the terms of one person's pre-retirement contract should not be used to set a precedent for other such contracts.

14. In addition to the existing pre-retirement arrangements, an employee may elect to reduce their time fraction under a pre-retirement contract to no less than .2 where they are within three years of being eligible to receive a retirement benefit from their superannuation scheme ('preservation age'). The University may agree to pay a subsidy to maintain employer UniSuper contributions at the rate applicable to the former substantive appointment provided the employee maintains their personal superannuation contribution

appropriate to their previous full time contribution. Alternatively the employee may agree to maintain both the employee and employer contributions.

15. A staff member may elect to agree to a bona fide pre-retirement contract in which they may forego some of their existing entitlements in return for other mutually agreed benefits.

16. The University will ensure that the terms of the individual pre-retirement contract:

- are about permitted matters under section 172 of the Fair Work Act 2009;
- are not unlawful terms under section 194 of the Fair Work Act 2009;
- result in the employee being better off overall than they would be if no arrangement was made; and
- does not result in the employee being provided with any payment or benefit that is inconsistent with the National Employment Standards under the Act.

17. The University will confirm the details of the contract:

- a. in writing;
- b. include the name of the University and the employee;
- c. be signed by an authorised representative of the University and the employee; and
- d. include details of:
 - the terms of the Enterprise Agreement that will be varied by the pre-retirement contract;
 - how the contract will vary the effect of the terms;
 - how the employee will be better off overall in relation to the terms and conditions of his or her employment as a result of the contract; and
 - the day on which the contract arrangements commence.

18. Pre-retirement contracts usually only involve agreed variations to salary or leave conditions. However for any other matters the University will consult with the relevant unions with the view of reaching agreement on the scope of any other proposed arrangements and where there are no objections raised may then offer staff a pre-retirement contract.

Benefit of a pre-retirement contract

19. The use of such a contract can provide benefits for both the University and its employees; these include:

For employees:

- a transition period between full time employment and retirement;
- opportunity to reduce employment fraction while maintaining superannuation;
- ability to plan for the future by providing guaranteed employment for the contract duration (the University cannot terminate a fixed term appointment on the grounds of redundancy); and/or
- where there is a loading, an increase in remuneration for the remaining employment period.

For the University:

- to facilitate strategic workforce planning; a planned retirement date enables greater certainty in workforce planning;
- enables mentoring and career opportunities for more junior staff;
- facilitates succession planning so that when an employee retires / resigns from an area the corporate knowledge and history can be retained.

Negotiation and approval of pre-retirement contracts

20. All pre-retirement contracts must be approved by the Director – Human Resources.

21. An employee or their manager can raise the possibility of a pre-retirement contract at any time. Discussions should include the following considerations:

- whether a pre-retirement contract might be mutually beneficial to the area and to the staff member;
- the length of the contract (ie when the staff member plans to retire and any commitments that the work area may have);
- any additional entitlements (for example a bonus payment or contract loading). These will generally be expressed as a percentage of the employee's gross annual salary and are not superannuable. The loading will be determined by length of contract (longer contracts attracting lower loadings);
- any performance expectations and whether any amount of the proposed loading is subject to achievement of agreed outcomes;
- scope of work for the duration of the fixed term contract (key deliverables and core responsibilities); and/or
- hours to be worked and Unisuper contributions.

22. Initial discussions should be of an informal nature and will not constitute a binding agreement.

23. Prior to entering in to a pre-retirement contract the University strongly recommends that employees seek independent financial and superannuation advice. Once these discussions have occurred, approval from the Director – Human Resources should be sought.

24. Once the Director – Human Resources approves the requested pre-retirement arrangements a formal contract will be prepared by the Human Resources Division. This contract will become binding only when it is signed by the employee, accepting the terms of the agreement.

25. If any variation is requested to the signed pre-retirement agreement, this will require further approval from the Director – Human Resources.

Maintaining contact with ANU

26. Accessing superannuation, as opposed to earning a salary, does not have to mean severing ties with the ANU or the academic community and the University highly values the contribution made by individuals outside traditional employment scenarios.

27. ANU recognises that after a long and successful career, many may like to relax and enjoy a traditional retirement but for some, this is not attractive. Therefore employees are encouraged to reflect on the part of their roles that they find most rewarding and to discuss this with their manager, perhaps with a view to making a contribution to ANU in this field following their retirement. For example:

- mentoring early career researchers;
- supervising students; or
- research, publication.

28. The University may confer an honorary academic title to retired staff who wish to contribute their professional standing and specialist expertise to the research, academic and service activities of ANU, or whose sustained and eminent contribution to ANU warrants recognition, in accordance with the Academic titles conferral policy and procedure.

29. The University may offer a range of incentives to honorary appointees to recognise the invaluable resource that comes with the decades of experience in research, teaching and other scholarly pursuits, for example:

- provision of infrastructure support (research equipment, administrative assistance);
- office space, laboratory time, workshop time;
- access to computer, email and office facilities;

- access to, or provision of, small grants to be used for the purpose of research support including travel, purchase of research equipment including computers or employment of research support staff; and/or
- provision of conference travel support.

30. In some cases, employees may like to make arrangements to maintain a presence at ANU, such that the change in their appointment is indistinguishable to the rest of the ANU and wider academic community. ANU respects this need, and would be prepared to enter into confidential discussions

31. Where operational needs dictate, ANU may consider extending an offer of casual employment to an employee following a break after employment. However, such an offer cannot even be contemplated until an assessment of operational requirements is undertaken by ANU at least two years following the retirement.

Post retirement contracts

32. The delegate may seek approval from the Director – Human Resources to offer a fixed term post-retirement contract to a staff member following their formal retirement from the University, under the following conditions:

- a. there was no financial incentive or enhanced benefit attached to the retirement of the staff member;
- b. the staff member possesses professional or academic expertise needed to support research/creative activity, education and service activities of the University; and
- c. an honorary appointment cannot be held concurrently with a post-retirement appointment.

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