

FLEXIBLE RETIREMENT

Policy and Guidance

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1. INTRODUCTION

Flexible retirement enables eligible members of the University Superannuation Scheme (USS) to ease into retirement by reducing their working hours whilst accessing a proportion of their pension.

2. SCOPE

There is no right to flexibly retire but we will consider requests from eligible members of USS for flexible retirement where it is in the interest of the University. From 1 October 2021 Associate Lecturers receiving a regular monthly income are classified as full-time equivalent (FTE) employees by USS and are therefore eligible to apply for flexible retirement.

Flexible retirement requires employer consent because it involves a reduction in working hours.

3. KEY FEATURES OF FLEXIBLE RETIREMENT

Managers and employees should be aware of the following:

- Flexible retirement is not a staff benefit or right, but an opportunity for eligible staff to ease into retirement.
- There must be a clear business case for flexible retirement and managers should not give any commitments to staff until the Head of Unit/Executive Dean (or their nominee), in consultation with their People Services Business Partner, has approved the request, based on the merits of the business case.
- The decision of the Head of Unit/Executive Dean (or their nominee) is final with each application. However, where requests are declined, employees can make further applications where the circumstances affecting the previous decision have changed.
- To apply for flexible retirement the USS member must be age 55 or over and have been in USS for at least 2 years.
- A member can draw down between 20% and 80% of their USS benefits.
- Benefits may be reduced if taken before the member has reached their 'Normal Pension Age'. This will be made clear in any illustrations.
- As flexible retirement starts at the member's request, the University (if we consent to flexible retirement) will not buy out the cost of removing any reduction on retiring early.
- A member may apply to 'flex' (reduce their hours and access more of their pension) on a maximum of two occasions before retiring in full.
- A member must reduce their working hours by a minimum of 20% and reduce their salary by a minimum of 20% each time they 'flex'.

4. REQUESTING FLEXIBLE RETIREMENT

Employees are advised to:

- Allow sufficient time for requests to be considered and processed. USS require at least 2 months' notice of an approved flexible retirement application. To facilitate this, the University will consider requests for flexible retirement up to one year before the proposed flexible-retirement date.

- Seek a pension illustration before submitting a request. Enquiries about flexible retirement and pension illustrations should be emailed to FBS-Pensions@open.ac.uk.

Managers are advised to:

- Consider the team member's reasons for requesting flexible retirement – such as:
 - Will it contribute to their overall wellbeing?
 - Does it support them with a change in personal circumstances?
 - Will they need to retire altogether if this request cannot be accommodated?
- Consider the business impacts of the request – such as:
 - Will this retain the skills of a person who might otherwise retire altogether?
 - Does a planned retirement facilitate a managed transfer of skills and responsibilities within the team?
 - How would the operational and business needs of the service be met by the proposed reduction in hours of work?
 - For associate lecturers, how can the FTE be reduced in a way that does not adversely affect the student experience?
 - If the request includes plans for a second 'flex', can that be agreed now, or will the individual need to submit a further request later?

How could the resources within the Unit be restructured to deal with the residual work if the member was granted flexible retirement?

Further guidance on the process for making a flexible retirement application is available in the [How to Guide: Flexible Retirement](#).

5. ADVICE AND ENQUIRIES

Enquiries about flexible retirement should be emailed to FBS-Pensions@open.ac.uk.

6. EQUALITY, DIVERSITY AND INCLUSION

Policies are inclusive of all Open University staff, regardless of age, civil status, dependency or caring status, care experience, disability, family status, gender, gender identity and expression, gender reassignment, marital status, marriage and civil partnerships, membership of the Traveller community, political opinion, pregnancy and maternity, race, religion or belief, socio-economic background, sex, sexual orientation or trades union membership status.

7. REVIEW OF POLICY

The University is committed reviewing this policy to ensure it remains fit for purpose. This policy will be reviewed every three years.

We welcome any feedback on this policy - if you have any comments, please send them to People-Services-Policy@open.ac.uk

8. USEFUL REFERENCES

[How to Guide: Flexible Retirement](#).
[Flexible Retirement Application Form](#)
[Universities Superannuation Scheme](#)