

## RETIREMENT POLICY

### 1. STATEMENT OF POLICY

- 1.1 The School believes that staff should, wherever possible, be permitted to continue working for as long as they wish to do so provided that they are making a full and high level contribution to the School. Of course for academic staff it also wishes to see a good mix of experience with the opportunity for academics elsewhere, in for example the early stages of their career, being able to join and contribute to LSE.
- 1.2 The requirement that all staff should perform to the requirements set out in their contract, to the requirements of their role, at a level appropriate to their band and in accordance with their terms and conditions, applies, of course, throughout their careers.
- 1.3 This policy has been developed for use by Heads of Departments/Heads of Service/Research Centre Directors to help them in their discussions with staff about their employment options and how these might align with the needs of the Department/Division and/or the School. This policy is set in the context that the UK has no national default retirement age and the desire for the School to provide flexible retirement arrangements in accordance with the provision afforded by the School's pension providers and through any other working time arrangements that may be offered at a School level.
- 1.4 Universities in the UK have generally provided good Occupational Pension Schemes. These have a determined age for full pension known as the Normal Pension Age (NPA). The School can no longer assume, however, that staff will retire at a set age. The School undertakes to ensure that for academic staff it can and does balance the needs for employees to work beyond the NPA with a requirement for the School to encourage new talent. LSE will continue to monitor its experience to ensure this continues to be the case out with the imposition of a mandatory School retirement age.

### 2. RETIREMENT PLANNING

- 2.1 Whilst staff will continue working beyond the NPA, unless they take action to bring about their retirement, it is reasonable for the School to seek to understand the working intentions of staff towards the later stages of their careers in order to facilitate workforce planning and in respect of budgeting and other administrative considerations. It is also helpful for staff themselves to take stock and to consider the options open to them, particularly in the light of pension taxation limits and their possible impact on retirement decisions. This reflection process is an ongoing one at all stages of an individual's career and the appropriate academic review (i.e. Career Development Review (CDR) or Annual Performance Review (APR)) discussions are generally the appropriate vehicles for career academics to hold these conversations (and CDRs for other staff). These discussions assume greater importance as staff approach pension age since the staff members will have more options available to them.

- 2.2 The School therefore encourages staff to have open discussions with their Head of Department<sup>1</sup>/Head of Service/Research Centre Directors as early as possible in their planning for retirement. Similarly, it is reasonable for these Heads to seek to clarify the intentions of staff in the light of local and/or School operational requirements. Such discussions could cover:
- arrangements for retirement;
  - intended retirement date;
  - succession and handover plans
  - pension details, including any transition to retirement and/or any reduction in hours if applicable.

It is important that the impact on the department/service division/research centre of any proposed changes is fully considered and assessed. Staff should be made aware that the flexible options outlined below are at the School's discretion and subject to formal approval (by the Pro-Director for Faculty Development, in the case of Academics and Research staff and by the Director of HR for all other staff categories).

- 2.3 It is also recognised that individual intentions to retire can change for a variety of reasons and that the timing of retirement is a matter of individual choice. Staff can be reassured, therefore, that retirement actions will only be initiated once formal notice to resign in writing has been received or an agreement is reached and approved by the employer as part of a flexible retirement proposal for full retirement at a future date.

### **3. ACADEMIC STAFF**

- 3.1 In the case of academic staff, the position can be more complex as individuals whose careers may have a number of different facets discuss, in conjunction with their Heads of Department, how their careers might best be taken forward to the mutual benefit of themselves and the School in this particular phase. Research prowess, teaching aptitude and strength in citizenship and service within the School will vary from individual to individual and will have been explored and identified as part of the ongoing performance management structures within the School. It may well be that, in addition to moving to a less than full time role, staff wish to focus their energies in areas that play to their particular strengths. The aim of such discussions is to explore ways in which individual preferences can be accommodated alongside departmental needs; the latter will necessarily have to be satisfied if successful outcomes are to be achieved.

### **4. RETIREMENT PLANNING MEETINGS**

For all staff it is recommended that, at age 62, they be invited by their Head of Department /Head of Service/Research Centre Director to attend the first in a series of meetings. HR will provide the Heads with a list of staff reaching age 62 and over on an annual basis to help facilitate this. At these meetings, there should be a formal exploration about possible future plans. This may well result in an understanding that no change is proposed but there should at least be agreement about the next decision point at which to continue the discussion. These conversations can be

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<sup>1</sup> For career academics, the CDR/APR may be carried out by an Academic other than the HoD.

revisited each year (or any other agreed timeline between the parties) and/or can be added to the CDR or APR as appropriate. The latter will involve a discussion with the HoD (or an explicit “delegate”). The aim of this process is to establish a framework within which a mutually beneficial career plan can be put in place.

## 5. FLEXIBLE OPTIONS FOR TRANSITION TO RETIREMENT

5.1 Staff at whatever stage of their working life may wish to change their working pattern to suit their individual circumstances. It may therefore be possible to agree a flexible working approach, outlined below. The School understands that a staff member’s employment can be affected by lifestyle preferences, personal aspirations, health considerations and changes to individual circumstances, and that the availability of flexible employment arrangements can be particularly helpful in assisting a staff member to transition towards a full retirement. Depending on an individual’s circumstances, including such aspects as pension taxation, ‘a ‘phased retirement’ may be their preference.

5.1.1 Heads of Department/Heads of Service will consider any budgetary and operational implications of any request made by staff. Staff should note that the School would be unlikely to approve any request under these arrangements that would create persistent budgetary and/or operational constraints or problems for the department concerned.

5.2 The School provides the following discretionary options to staff when considering, preparing for, and entering into, retirement. These are subject to agreement by the Head of Department/Head of Service/Research Centre Directors (who will give full weight to the School’s operational and business needs) and, subsequently by the Pro-Director for Faculty Development, and the Director of Human Resources for all remaining staff categories. In both cases the Pro-Director, Planning and Resources will also approve the decisions. These options can be considered on an indefinite period or for a fixed period (normally for no less than 12 months). Flexible Retirement options will be linked to a confirmed retirement date. They are also subject to contract variation as appropriate.

### 5.2.1 **Reduced Hours – linked to Flexible Retirement**

This is a reduction in the hours worked but involves the same or very nearly the same job responsibilities. Agreement is reached locally about what work is undertaken during the proposed part-time commitment as well as the pattern of working hours which, depending on the job responsibilities, could be regular or intermittent to suit the departmental needs. Salary payments and other benefits will be pro-rated and this arrangement would involve an agreement as to a future retirement date. This is known as transition to retirement.

### 5.2.2 **Project Work** (usually of short duration)

This would typically involve an offer of a fixed-term contract to undertake and complete a specified project / piece of work. The change to project work would provide a discrete piece of work prior to full retirement. The terms & conditions of employment would be appropriate to the specific work undertaken.

### 5.2.3 Flexible or Variable Work Hours

Changes to the daily start/finish times and/or the days of the week on which work is carried out can be mutually agreed. However, serious consideration needs to be given to any potential impact on the health and wellbeing of the staff member, and to ensuring the required number of breaks and the requirements of the Working Time Regulations, as well as the impact on services and other staff.

### 5.2.4 Job-Sharing

A reduction from full time to part-time working involving two people sharing the total job role and working hours of a full-time position. For more information see

<http://www.lse.ac.uk/intranet/staff/humanResources/Flexible-Working/Flexible-Working.aspx> (Flexible working pages).

### 5.2.5 Leave with/without pay

Staff may find it useful to consider taking periods / blocks of time away from work at the School to explore or develop post-retirement pursuits. Further information on the formal schemes in the School can be accessed at

<http://www2.lse.ac.uk/intranet/staff/humanResources/reviewingAndRewarding/leave/academicStaffLeave/Home.aspx>

(Academic Staff leave) or

<http://www.lse.ac.uk/intranet/staff/humanResources/reviewingAndRewarding/leave/staffSupportLeave/staffSupportLeave.aspx> (Support Staff leave).

## 6. NOTIFICATION PROCESS

- 6.1 Any member of staff who wishes to retire will be required to resign in writing from their post providing at least the notice specified in their contract of employment (see table below). Staff are, however, encouraged to provide as much notice as possible.

Contract Type	Band	Minimum Notice Required
Academic Support (and Research Assistants)	1-5	4 weeks
	6 and above	3 months
Academic Staff	7 and above (&NAC grades)	By 30 <sup>th</sup> April for resignation effective 30 <sup>th</sup> September
Research Only	6 and above	3 months
Teaching Only (LSE Fellows)	5 and above	Up to 3 months (dependant on band).

- 6.2 Any such request should be made in writing and addressed to the appropriate Head of Department/Head of Service/Research Centre Director (or to the person named in their contract of employment, if different) with a copy to the pensions team in Human Resources. Upon receipt of any such resignation proposal, Human Resources will acknowledge receipt and confirm acceptance of the request to retire by reason of resignation. The member of staff's employment will be terminated by reason of resignation (retirement) in the normal way.

- 6.3 A member of staff who is retiring will often have considerable knowledge in relation to his/her role and responsibilities. The School may require their assistance and cooperation for handover and for succession planning. This could include: providing details of the status of work projects and future plans; developing an updated job description and person specification for the role; ensuring a smooth handover of work and assisting in training any successor. Clearly, these processes benefit from there being as much notice as possible of the intent to retire.
- 6.4 Any member of staff who plans to request a flexible option to work should submit any such request to their Head of Department/Head of Service/Research Centre Director no later than 12 months prior to any proposed commencement of any such flexible option and may wish to request indicative quotations from the pensions team in advance of making this application.

## 7. PENSIONS

- 7.1 The School's pension schemes (USS and SAUL) retain an age range within which pension benefits can be accessed and are payable. The calculation of these benefits will vary depending on the age at which they are accessed.
- 7.2 Staff considering retirement will wish to consider how certain options may affect their retirement benefits. Within USS, for example, staff from age 55 (subject to the agreement of the School) are able to opt to continue to work part time and to take part of their pension (under the USS flexible retirement provisions). They can opt to do so twice before taking full retirement, so for example could reduce from 1fte to 0.8fte, and then later to 0.6fte, accessing a proportion of their pension benefits at each reduction in hours. Staff require the consent of the School to take flexible retirement and must indicate their intentions regarding further retirement plans as a part of this process. It should be noted that staff who take up this option before their normal pension age may be subject to an early retirement reduction, depending on their individual circumstances.

Full details of these arrangements can be found on the USS website or requested from the LSE pension team.

- 7.3 Staff who are members of one of the School's pension schemes should contact the Pensions team in HR ideally at least 3 months prior to their planned retirement date, or their date for varying their contract. The Pensions team will provide any pension estimates/information to assist staff with their retirement planning on an entirely confidential basis.

## 8. EMERITUS STATUS

- 8.1 For Academic Staff at Professorial level there is the opportunity to seek emeritus status on retirement. Further information is available from <https://www2.lse.ac.uk/intranet/staff/humanResources/joiningLSE/recruitingContracting/internal/essentialInformation/emeritusProfessorsReaders.aspx>

## 9. SUPPLEMENTARY INFORMATION

Further information is available from your Departmental HR Partner. For contact details visit:

<http://www.lse.ac.uk/intranet/staff/humanResources/Whos%20Who/home.aspxInformation>

Information regarding the School's pension schemes can be obtained by contacting the School's pensions team. For details please contact

[hr.pension@lse.ac.uk](mailto:hr.pension@lse.ac.uk) or visit

<http://www2.lse.ac.uk/intranet/LSEServices/financeDivision/pensions/Home.aspx>

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