



LSE RETIREMENT PLANNING GUIDELINES

1. INTRODUCTION

1.1 The School recognizes the contributions of a diverse workforce, including the skills and experience of older staff, and is committed to equal opportunities for all its staff. It 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 contribution to the School. This requirement, that staff should perform to the standards set out in their contract and to the requirements of their role and level appropriate to their job title, band and terms and conditions, applies, of course, throughout their careers.

1.2 These guidelines have been developed for use by Heads of Departments and Heads of Service to help them in their discussions with staff about their employment options and how these might align with the needs of the department and/or the School. Though written in the light of the changes in the law regarding the abolition of the default retirement age, they encapsulate many of the arrangements that already exist in the School, as well as reflecting new, more flexible, pension arrangements introduced by the USS as part of a package of benefit changes.

1.3 Since 1 October 2011, the School's Age Procedure for Post 65 Working and related Working Beyond Retirement Policy have no longer applied and, as with the vast majority of HE Institutions (and employers generally), there is now no contractual or default retirement date. The School cannot assume, therefore, that staff will retire at a set age, and contracts of employment that contain a clause requiring retirement at a certain age will no longer be enforceable. Whilst the law does, incidentally, allow for employers to apply a retirement age this needs to pass the test of objective justification – a hurdle that will be difficult to justify. The School will therefore run without an organizational retirement age for all staff though it will review developments in the sector and emerging case law and reserves the right to revisit this decision if appropriate. This change does not affect the School's two Pension Schemes which will still retain a Normal Pension Age (NPA), as will the State Pension. Staff will want to access information on their benefits under the appropriate pension scheme when making plans and it is important that they are made aware of all the pensions options open to them.

2. RETIREMENT PLANNING

2.1 Whilst staff may continue working beyond the NPA, 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 recent pension changes. This process is an ongoing one at all stages of an individual's career and the academic Career Development Review (CDR) or Personal Development Review (PDR) discussions are appropriate vehicles for this. These discussions assume greater importance, however, as staff approach pension age.

2.2 The School therefore encourages staff to have open discussions with their Head of Department/Head of Service as early as possible in their planning for retirement. Similarly, it is reasonable for Heads of Department/Heads of Service to seek to clarify the intentions of staff in the light of departmental and/or School operational requirements. Such discussions could cover: arrangements for retirement; intended retirement date; and succession and handover plans along with any pension details and any transition to retirement, such as a reduction in hours if applicable. It is important that the impact on the department of any proposed changes are fully considered and assessed and staff should be made aware that the flexible options outlined below are at the School's discretion and subject to formal approval.

2.3 It is also recognized 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 action will only be initiated once formal notice to resign in writing has been received.

2.4 In the case of support staff the issues around contractual options in later career are likely to be straightforward as set out in section 3 below. In the case of academic staff, however, the position can be more complex as individuals whose careers may have taken a number of different trajectories 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, strength in pastoral and other activities associated with a high internal citizenship role 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, it may be appropriate for staff 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 with departmental needs; the latter will necessarily have to be satisfied if successful outcomes are to be achieved.

2.5 For all staff it is suggested that, at age 59, they be invited by their Head of Department /Head of Service to attend a meeting. HR will provide Heads of Department / Heads of Service with a list of staff reaching age 59 on an annual basis to help facilitate this. At this meeting, 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. The aim of this process is to establish a framework within which a mutually beneficial career plan can be put in place.

3. FLEXIBLE OPTIONS TO TRANSITION TO RETIREMENT

3.1 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 (see examples below) whether or not this is intended to lead directly towards a full retirement. 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 prepare for full retirement.

3.1.1 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 this section that would create budgetary and/or operational stresses for the department concerned.

3.2 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 (who will give full weight to the School's operational and business needs) and, subsequently by a School level Transition to Retirement Group. These options can be considered on an indefinite period or for a fixed period (for no less than 12 months normally). They are also subject to contract variation as appropriate.

3.2.1 Reduced hours.

This is a reduction in the hours worked but involves the same or very nearly the same job responsibilities. Agreement is reached with the Department 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 will be pro-rated (as will other benefits).

3.2.2 Re-focusing job role (e.g. academic staff undertaking research-only or teaching-only contracts)

Changes to job roles can be agreed with the Head of Department/Head of Service. Such changes may result in changes to the job title, terms & conditions and grade / salary to reflect the revised role. In such case a new job description is developed and typically a contract variation is offered.

3.2.3 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 could either be prior to full

retirement or as a further period of employment with the School after full retirement (i.e. after a break of employment). The terms & conditions of employment will be appropriate to the specific work undertaken.

3.2.4 Flexible or different work hours

Changes to the daily start/finish times and/or the days of the week on which work will be 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.

3.2.5 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).

3.2.6 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://www.lse.ac.uk/intranet/staff/humanResources/reviewingAndRewarding/leave/academicStaffLeave/Home.aspx> (Academic Staff unpaid leave) or

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

3.2.7 Full retirement from an indefinite role and re-engagement on a part-time or fixed-term contract (usually undertaking markedly different responsibilities)

This option may suit a staff member seeking to transition to retirement by reducing to part-time or fixed term employment whilst needing to access other forms of income such as pension benefits. The staff member formally resigns and retires from their current role. Any re-engagement (usually after a break) is with the appropriate job title and terms & conditions for the new role. Such options are subject to the School's normal recruitment procedures. Staff should consider carefully any financial and/or pension issues before submitting any request to their Head of Department / Head of Service.

Details on the process for submitting requests under this section is set out in the attached Appendix One.

4. NOTIFICATION REQUIREMENTS

4.1 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	By 30th April for resignation effective 30th September
Research Only	6 and above	3 months
Teaching Only (LSE Fellows)	5 and above	By 30th April for resignation effective 30th September

4.2 Any such request should be made in writing and addressed to the appropriate Head of Department/Head of Service (or to the person named in their contract of employment if different) with a copy to Human Resources. Upon receipt of any such resignation, 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.

4.3 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 their being as much notice as possible of the intent to retire.

4.4 Any member of staff planning on requesting a flexible option to work (as set out in section 3 above) should submit any such request to their Head of Department / Head of Service no later than 12 months prior to any proposed commencement of any such flexible option.

5. BRIEFING SESSIONS

5.1 To support managers and staff in dealing with the removal of the Default Retirement Age and in their understanding of the issues raised in these guidelines, HR will regularly offer the following:

For Managers - Working without a Retirement Age

This workshop provides managers with information on the relevant employment legislation regarding the abolition of the default retirement age and outlines possible scenarios that may occur and how to address them.

For Staff – Career & Financial Planning

This workshop provides staff at all levels with information on preparing for retirement and the options available to support them. Staff can attend these sessions at any point in their career at the School.

6. PENSIONS

6.1 The School's pension schemes (USS and SAUL) retain a scheme or normal pensionable age (NPA) when pension benefits can be accessed and are payable.

6.2 Staff considering retirement will wish to consider how certain options may affect their retirement benefits. With USS for example, from 1 October 2011, 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, drawing the equivalent proportion of their pension benefits. Staff require the consent of the School to take flexible retirement. It should be noted that staff who take up this option before their normal pension age may be subject to an early retirement reduction. Full details of this scheme can be found on the USS website <http://www.uss.co.uk/news/Pages/flexretfactsheetamendment.aspx>

6.3 Staff who are members of one of the School's pension schemes should contact the Pensions team in HR ideally at least 6 months prior to their planned retirement date, or their intention to vary their contract. The Pensions team will provide any pension estimates/information to assist staff with their retirement planning on an entirely confidential basis.

7. EMERITUS STATUS

7.1 For Academic Staff at Professorial level there is the opportunity to seek emeritus status on retirement. Further information is available from

<https://www.lse.ac.uk/intranet/staff/humanResources/joiningLSE/recruitingContracting/interal/essentialInformation/emeritusProfessorsReaders.aspx>

8. SUPPLEMENTARY INFORMATION

Further information is available from the following sources;

Your Department HR Partner. For contact details visit

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

Information regarding the School's pension schemes can be obtained by contacting the School's Pensions Officer. For details please contact or visit

<http://www.lse.ac.uk/intranet/staff/humanResources/reviewingAndRewarding/staffBenefitsAndPay/pensions/Home.aspx>

Information regarding ill-health retirement can be found at

<http://www.uss.co.uk/SchemeGuide/FinalSalaryBenefitssection/lifeevents/illhealth/Pages/default.aspx> (for USS Final Salary members)

<http://www.uss.co.uk/schemeguide/CareerRevaluedBenefitssection/lifeevents/ill-health/Pages/default.aspx> (for USS CRB members)

ACAS have provided a document "ACAS Guidance for Employers Working without the Retirement Age". This can be accessed at

http://www.acas.org.uk/media/pdf/d/4/Working_without_the_DRA_Employer_guidance_-_MARCH_2011.pdf

These guidelines are not contractual and the School will review and may amend them from time to time in line with any legislative changes, practice elsewhere in the sector, emerging case law and/or School policy and experience.

APPENDIX ONE

FLEXIBLE OPTIONS TO TRANSITION TO RETIREMENT - APPLICATION PROCESS

A formal request form must be completed by the member of staff and submitted to their Head of Department / Head of Service – no later than 12 months prior to the proposed commencement of any flexible option. The Transition to Retirement Request Form can be accessed [here](#).

If Heads of Department / Heads of Service wish to submit any application themselves it should be submitted to the appropriate member of the Director's Management Team (DMT). Heads of Academic Departments should submit any request they wish to make to Stuart Corbridge (Provost) in the first instance.

The fact that any member has submitted a formal request would not guarantee approval either by their Head of Department / Head of Service or by the Transition to Retirement Group.

The Head of Department / Head of Service will submit all applications to the Transition to Retirement Group whether or not it has their support. This Retirement Group will sit each term to consider applications. The decisions and rationale behind approving or rejecting each case will be recorded and will be final. The members of this Transition to Retirement Group are;

Stuart Corbridge (Provost)
Andrew Webb (School Secretary)
Indi Seehra (HR Director)

Heads of Department / Heads of Service will be advised of the decision and a letter will be issued to the respective staff member confirming whether his / her request has been successful.