

**PERSONNEL SERVICES**

University Offices, Wellington Square, Oxford OX1 2JD  
Acting Director of Personnel and Related Services



To: heads of departments and institutions, faculty board chairmen,  
departmental administrators and faculty board secretaries

Ref. EMS/5

26 September 2011

cc. heads of division, divisional secretaries, Mr Ellis, Principal  
Administrator of the Conference of Colleges

**Retirement Age for University Support Staff**

*The statutory Default Retirement Age is being abolished from 1 October 2011.*

*With effect from 1 October 2011 there will be no normal or fixed age at which university support staff must retire.*

*The University will no longer be able to request support staff to take retirement at a particular age or to suggest that they consider doing so.*

*It will be for individual members of support staff to decide when they wish to retire and to communicate this to their managers.*

*The University will, however, continue to be a source of information and support to staff in helping them make their decision.*

*The support staff handbook is being amended to take account of these changes.*

**1. Action required of departments and divisions**

(i) Note the new arrangements concerning the retirement age of support staff (i.e. those in grades 1 to 5) set out below.

(ii) Communicate the new arrangements to support staff.

(iii) Amend local procedures to ensure that age-based retirement notifications are no longer sent to support staff.

(iv) Ensure that support staff are given information, at appropriate times, about the support that is available to them in considering retirement options. Examples, and a model letter, are given in section 5 below.

(v) Review management arrangements to ensure that older staff are managed fairly and effectively, in the same manner as other staff, and not subject to discrimination.

**2. Key changes to the retirement of university support staff**

- From 1 October 2011 there will no longer be a normal retirement age at which employees can expect to be retired by their employers. The statutory Default Retirement Age (DRA) of 65 is to be abolished.



- It will not be lawful to dismiss employees on grounds of age, save where the employer has reasonable grounds for applying an Employer Justified Retirement Age (EJRA).
- Whereas the University intends to apply an EJRA to academic and academic-related staff, it has decided not to do so for support staff. With effect from 1 October 2011, therefore, there will be no default retirement age for support staff. The University will no longer be able to request support staff to take retirement at a particular age or to suggest that they consider doing so.
- Provided that their capability and conduct remain satisfactory, it will be for individual members of support staff to decide when they wish to retire. Retirement becomes a decision by the employee to leave employment and take their pension. Normal procedures for resignation and pension will apply.
- The abolition of the retirement age removes one of the longstanding and relatively fixed features of employment. For employees and employers it will open new horizons, but also bring uncertainties which, initially at least, may need careful management.

### 3. Amendment to support staff handbook

The support staff handbook will be amended to take account of these changes. Section 3.9.3 Retirement now reads:

“You may elect to retire at, or at any time after, the minimum pension age stipulated in the Rules of the pension scheme to which you belong, on giving the amount of notice that would be required to terminate the appointment by ordinary resignation. Eligibility for retirement benefits, and the benefits payable, will be in accordance with the provisions of the pension scheme.”

### 4. Pension age

Retirement is not abolished. From 1 October 2011, support staff will be free to decide when to retire, that is to take their pension and leave university employment, at whatever age they choose, subject to the rules of the pension scheme to which they belong. These rules change from time to time. Support staff belong to a number of pension schemes and specific advice needs to be taken as to how each scheme's rules apply in a given situation. But, to illustrate, the current possibilities under OSPS, the principal pension scheme for support staff, are:

- **Retirement.**  
65 is the normal pension age. From age 65 (taken to be 31 July following the employee's 65th birthday) all eligible OSPS members are entitled, if they choose, to take their full unreduced pension and retire from the University. But if they do not wish to do so, they can continue to work beyond 65 and take their full pension later. The normal pension age will rise in line with state pension age.
- **Early retirement**  
Members of staff may apply to retire before 65. This is commonly known as early retirement. Although some members of staff may carry forward the right to retire on or after their 50th birthday, the 55th birthday is generally the earliest age at which a member of OSPS may apply to take their pension and retire. Early retirement entails receiving a smaller pension – the benefits are actuarially reduced by an amount that depends on how long before age 65 the pension is taken.

- **Flexible retirement**

The University expects to be able to offer support staff a flexible retirement option. This is where a member of staff continues to work, but takes a reduction in salary, for example by working reduced hours, in exchange for payment of a portion of their pension. This mix of work and pension can offer an attractive way of tapering towards eventual full retirement. The options for flexible retirement are currently under consideration and further information will be published in due course.

- **Ill-health retirement**

Provision for retirement on grounds of ill-health remain unchanged.

## 5. Information and support for staff

Members of staff, who until now may not have thought they would need to reach their own decision about retirement, will need information and support. Given the importance of the retirement decision, departments and divisions should ensure staff have access to relevant information and encourage anyone considering retirement to consult before reaching their decision. Available support includes:

- **Letter**

Departments and, where appropriate, divisions should write to individual employees at a time when they might reasonably be expected to be starting to consider their retirement options, i.e. at around their 55th birthday and then every five years thereafter. The purpose of the letter would be to remind staff of their options, to update them on sources of information and support currently available and to encourage them to consult. A standard template letter is attached at Annexe A and will be available on the website of Personnel Services. Reports will be available from the new HR information system (HRIS) to trigger the issue of these letters.

- **Preparation for Retirement Seminars**

The Oxford Learning Institute (OLI), through an external provider Laterlife, offers a one day seminar which covers many of the issues which need to be taken into consideration when thinking of retirement. It is open to staff of any age, but it is of obvious interest to those who are considering retiring within a few years.

- **Pensions information**

Anyone considering retirement would be well advised to get an individual pension estimate: the size of each person's pension benefits depends on a number of specific factors such as age, pensionable salary and pensionable service. The Pensions Office is available to provide pensions estimates and other pension information. But they cannot give individual financial advice. For this members of staff will have to consult an independent financial adviser.

- **Meetings with managers**

Anyone considering their retirement options is encouraged to discuss these with their administrator or manager. Such discussions should give the employee important information about how the department sees work evolving over the coming years, how the employee might be affected by any changes, and how the department might respond to a request for flexible retirement or for a change in role.



- **The retirement process**

Instead of receiving a letter giving them their retirement date, support staff will have to initiate retirement by writing a letter to their department, providing the appropriate period of notice of their intention to retire.

## 6. Information and support for managers

Older staff must be managed in the same way as everyone else. With the abolition of the default retirement age, there are perhaps two areas where managers need to give particular thought to avoiding acting in a way that could be seen as discriminating on grounds of age:

- **Discussion of retirement**

Managers should not shy away from initiating a discussion about an older employee's future plans. Care needs to be taken, however, to avoid direct questions that give the impression of suggesting that the employee should be thinking of retiring. There are no problems with discussing retirement if the subject is first raised by the employee. Best practice is to start discussion by asking general questions about how the employee sees their future plans and development and to ensure that such discussions form part of a wider pattern of meetings with other staff, such as occur within a PDR process.

- **Performance**

The abolition of the retirement age for support staff means that, whereas in the past managers might have been tempted to leave retirement to deal with any performance or conduct issues, these now need to be actively managed in the same way as they are for other staff, as and when they arise. Care has to be taken to avoid making any assumptions about capability or performance changing with age. High performing older employees should have the same access to any career opportunities and merit pay schemes as others. In the absence of a retirement age, the only grounds for dismissal are the same as those available for other staff: conduct, capability, redundancy or for some other substantial reason. Best practice is to review performance regularly, but again such reviews cannot be targeted only at older employees. They need to be part of a general review process for all staff.

## 7. Further information

**Personnel Services** [www.admin.ox.ac.uk/personnel/](http://www.admin.ox.ac.uk/personnel/) (from 4 October 2011)

**Pensions Office** [www.admin.ox.ac.uk/finance/oxonly/contacts/pensions/#d.en.11065](http://www.admin.ox.ac.uk/finance/oxonly/contacts/pensions/#d.en.11065)

**OLI** (retirement seminar)

[www.learning.ox.ac.uk/seminar\\_desc.php?cat=az&ls=&cc=EFF/RET/PLA&page=3&id=1544](http://www.learning.ox.ac.uk/seminar_desc.php?cat=az&ls=&cc=EFF/RET/PLA&page=3&id=1544)

**OLI** (PDR) [www.learning.ox.ac.uk/cdr/pdr/](http://www.learning.ox.ac.uk/cdr/pdr/)

Ms A Cross

*Replaces existing circular: N/A  
Copy for notice boards: Yes*