

PERSONNEL SERVICES

University Offices, Wellington Square, Oxford OX1 2JD
 Director of Human Resources



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

Ref. EMS/6

cc. heads of division, divisional secretaries, Dr Gambles, Mr Shaw,
 Principal Administrator of the Conference of Colleges,

May 2013

Retirement and Pensions Update

This circular informs departments of changes that have been made to the University's policy and procedure on the Employer Justified Retirement Age (EJRA). The revised policy and procedure can be viewed at <http://www.admin.ox.ac.uk/personnel/end/retirement/acrelretire/ejra/>.

Most importantly, all applications for extended employment on behalf of prospective employees (either retired former university employees or those who are to be offered employment), who are either over the EJRA or will pass the EJRA during a fixed-term employment contract, should be submitted to the HR Director for the consideration of the EJRA panel not, as previously, to the Personnel Committee.

This circular also provides updates on a number of issues related to pensions.

The Employer Justified Retirement Age (EJRA)

1. Background

On 1 October 2011 the University introduced an EJRA for academic and academic-related staff, supported by a policy and procedure under which applications can be made for continued employment beyond the EJRA, which is the 30 September following an individual's 67th birthday. This policy and procedure applied to existing staff members. The authority to approve employment beyond the EJRA for prospective staff members – that is, those who are to be offered employment when they are already over the EJRA or who will pass the EJRA during the anticipated period of employment – remained with the Personnel Committee.

2. Detail

The Personnel Committee has now delegated authority to consider applications for employment beyond the EJRA made on behalf of prospective academic and related staff members to the EJRA panel. Applications should be sent to the HR Director, who will arrange for them to be considered by the EJRA panel against the same criteria (with appropriate adaptations) as those used for applications from existing staff.

Departments are reminded that the EJRA policy and procedure applies to any academic or academic-related staff member i.e. anyone in an academic post or in a post on grades 6-10 of the University's payscale who holds a CMS contract or other contract of employment.

The revised policy and procedure can be viewed at
<http://www.admin.ox.ac.uk/personnel/end/retirement/acrelretire/ejra/>.



3. Action required of Departments

It is the responsibility of the employing department to establish whether a prospective staff member is over the EJRA or will pass the EJRA during any fixed term employment that is to be offered and to make a request for employment beyond the EJRA on that person's behalf before any offer of employment is confirmed.

It is recommended that, in any instance where departments have reason to think that a prospective staff member might be over or approaching the EJRA, the chairman of the recruiting panel make the prospective staff member aware of the University's EJRA policy and inform them that they should tell the employing department promptly if they are over or approaching the EJRA.

Departments should ensure that, for any academic or related member of staff who is above the EJRA, there is a record on the individual's personal file of the permission to continue employment from the Personnel Committee (if permission was granted prior to October 2011) or the EJRA panel. If this evidence cannot be found, please contact John Dickson (john.dickson@admin.ox.ac.uk) in order that central files can be checked.

For further information, please contact your HR Business Partner in Personnel Services.

Update on Pensions Issues (this section is for information only)

OSPS changes

Following extensive consultation in 2012, changes to the University of Oxford Staff Pension Scheme (OSPS) came into effect from 1 January 2013. Going forward, active OSPS members build up pension benefits on a career average revalued earnings basis (known as 'CARE'). All members were given the option to select their contribution rate (Lower, Standard or Higher cost plans) and the speed at which their pension builds up, referred to as the 'accrual rate'. There was a good response from active members, with around 50% making a selection and over 30% of all members opting for the 'Higher' cost plan. Members may switch cost plans every April.

Auto-enrolment: resources for administrators and managers

A new page has been set up on the pensions website containing a wealth of information for administrators and managers relating to the University's new duties relating to the auto-enrolment of eligible staff and workers into qualifying pension schemes. This includes the slides and handouts from the information sessions run in early 2013, a decision tree to help assess how different types of staff members are affected, and detailed information about staff groups that are not straightforward, such as those not ordinarily working in the UK. The new contract templates are also provided.

The webpage can be accessed here:

https://www1.admin.ox.ac.uk/finance/pensions/auto_enrolment/managersinformation/



Pension tax relief - Annual Allowances

The Annual Allowance, which is set by the government, limits the contributions and/or pension benefits that any individual can build up each year without additional tax charges. If an individual's pension benefits build up by more than their available Annual Allowance (including any carried forward from previous years) the excess is taxed at their marginal rate. Those who are most likely to be affected are those who earn high salaries, those with long service, those with final benefits pensions schemes and those who receive large payrises. The Annual Allowance will reduce to £40,000 with effect from 6 April 2014, down from its current level of £50,000.

It is an individual's responsibility to manage their own tax affairs, to assess whether they are at risk of exceeding their annual allowance in any given year and to take action, if possible, to mitigate the financial impact if the allowance is exceeded. The University cannot provide advice but it can provide information and a new webpage on the Pensions website aims to do that.

Administrators may wish to refer any member of staff who may be at risk of exceeding their annual allowance, for example if they receive a substantial payrise, to this webpage. It can be viewed here: http://www.admin.ox.ac.uk/finance/pensions/uss/annual_allowance/.

For further information on any of these pensions issues, please contact a member of the Pensions Team at: <https://www1.admin.ox.ac.uk/finance/contacts/pensions/>

MR J DUXFIELD
Director of Human Resources.