

# Pre-Retirement Procedure

**This procedure is being updated to reflect the new Enterprise Agreement and may currently contain out of date information. If you have any questions, please lodge an Ask HR ticket.**

## Section 1 - Background and Purpose

(1) Pre-Retirement Contracts offer staff the opportunity to plan and phase down to retirement. They also offer staff the opportunity to mentor others and actively contribute to succession planning and knowledge transfer.

(2) Pre-Retirement Contracts are entirely voluntary and require the staff to initiate the request to enter into a fixed term contract.

## Section 2 - Scope

(3) This procedure has been developed to support continuing staff members transitioning to retirement and to assist La Trobe implement effective succession planning.

(4) These procedures provide information in relation to these contracts.

## Section 3 - Policy Statement

(5) Refer to the [Workforce Management Policy](#).

## Section 4 - Procedure

### What is a Pre-Retirement Contract?

(6) A Pre-Retirement Contract means where a full time or part time staff member declares that it is their intention to retire, a fixed term contract expiring on or around the relevant retirement date may be adopted as the appropriate type of employment for a period of up to five years with three years being the standard term.

(7) The Pre-Retirement Contract will specify the date at which employment with the University will end. The end date will not be extended or renewed unless exceptional circumstances exist and only at the University's initiative.

(8) Pre-Retirement Contracts are entirely voluntary, and while encouraged by the University they are not an entitlement and will only be offered where the University can see a benefit in terms of workforce planning.

(9) Pre-Retirement Contracts are agreements between individual staff members and the University and are discussed and negotiated privately and on a case-by-case basis. As such, the terms of one staff member's Pre-Retirement Contract is not used to set a precedent for other such contracts.

(10) The University offers conversion from full-time (continuing) or part-time (continuing) to a fixed term pre-retirement contract with negotiated options, and to enable staff, to consider fractional work for a defined period.

## Eligibility and Preservation Age

(11) Continuing staff who have reached their retirement age or will at the expiry of the term of the Pre-Retirement Contract, and who have completed a minimum of three years continuous service with the University are eligible to apply for a Pre-Retirement Contract.

(12) The retirement age, for the purpose of this procedure, is the term defined by the preservation age as set by the relevant Superannuation fund.

Date of Birth	Preservation Age
Before 1 July 1960	55
July 1960 to June 1961	56
July 1961 to June 1962	57
July 1962 to June 1963	58
July 1963 to June 1964	59
After 30 June 1964	60

## Employment Conditions

(13) Pre-Retirement Contracts are negotiated on an individual basis, taking into consideration the needs of the work area and the University. Once an employment arrangement is entered into, by way of a written agreement, those terms and conditions will become the staff member's substantive employment terms and conditions and are maintained until the conclusion of the Pre-Retirement Contract.

## Terms of Pre-Retirement Contracts

(14) Staff may enter into a mutually agreed Pre-Retirement Contract to convert to a fractional employment arrangement and set a future retirement date. Terms of arrangements may range from a period of 1 year up to a maximum of 5 years and are to be determined on an individual basis with the local work unit. The duties to be performed should be agreed prior to the approval of the Pre-Retirement Contract.

### Up to 3 years Pre-Retirement Contract

(15) Periods of 1 to 3 years are the standard term Pre-Retirement Contracts available to staff.

(16) Fixed period Pre-Retirement Contracts up to a term of 3 years will have employer superannuation contributions maintained for the fixed period at the staff member's substantive salary and the University may pay the staff superannuation contributions difference between the staff member's fractional salary rate and the current substantive salary.

### Up to 5 years Pre-Retirement Contract

(17) Periods of 4 to 5 year Pre-Retirement Contracts are available to staff only in exceptional circumstances.

(18) Fixed period Pre-Retirement Contracts up to a term of 5 years will have employer superannuation contribution maintained for the fixed period at the staff member's current substantive salary only if the staff member continues to maintain their own superannuation contributions at the rate which would be applicable to the staff member's current substantive salary.

## Confirmation of Pre-Retirement Contract

(19) the University will confirm the details of the contract:

- a. in writing;
- b. include the name of La Trobe University and the staff member;
- c. be signed by an authorised representative of the University and the staff member; and
- d. include details of:
  - i. the terms of the [Collective Agreement](#) that will be varied by the Pre-Retirement Contract;
  - ii. how the contract will vary the effect of the terms; and
  - iii. the day on which the contract arrangements commence.

## Termination

(20) Pre-Retirement Contracts may be terminated by:

- a. the nominated end date of the Pre-Retirement Contract;
- b. resignation by the staff before expiry of the Pre-Retirement Contract;
- c. by mutual agreement between the parties;
- d. unsatisfactory performance, serious misconduct, medical grounds, abandonment of employment or frustration of the employment contracts; or
- e. redundancy.

(21) Staff entering into a pre-retirement contract do so on the proviso that they will not be re-employed on a full time, fractional or fixed term position at the completion of a Pre-Retirement Contract.

## Other Conditions

### Leave Entitlements

(22) Leave accrued prior to a Pre-Retirement Contract agreement will be maintained at the percentage accrued. Accrued leave during the Pre-Retirement Contract is in proportion to the hours worked during that period and paid at the Pre-Retirement Contract rate.

### Honorary Associates

(23) The University may offer a non-employment relationship to a staff member who converts to a Pre-Retirement Contract in the capacity as an Honorary Associate for up to three years. This will entitle them to have on-going access to the Library and other University facilities as outlined in the [Honorary Appointments Policy](#).

### Outside Studies Program (Academic Staff)

(24) A staff member converting to a fixed term Pre-Retirement Contract under this Procedure will not be eligible to apply for an outside studies program during the contract. Refer to the [Outside Studies Program for Academic Staff Policy](#).

### Research Grants

(25) An application for a research grant or other funds from an academic staff member who has converted to a Pre-Retirement Contract may be considered in the same way as that from a full-time (continuing) member, with consideration to the level of research activity of the member and the nature of any proposed project.

## Performance Review

(26) The usual performance management process continues to apply during the term of the Pre-Retirement Contract and the staff member must participate in this process.

## Financial Advice

(27) Staff considering a Pre-Retirement Contract should seek independent financial advice on the impact to existing superannuation, salary packaging and other benefits. In accordance with the Collective Agreement eligible staff may access financial counselling. Refer to the [La Trobe University Collective Agreement 2018](#) for further information.

## Australian Taxation Office

(28) Staff members may be interested in the government's Transition to Retirement rules, which allow the withdrawal of some or all of your superannuation into a retirement income stream. Further information can be obtained via the [Australian Taxation Office](#) website or through the superannuation scheme.

## UniSuper

(29) Staff who are members of [UniSuper](#) can access a range of seminars on topics including Retirement Planning. Refer to their website (Learning Centre > Seminars) for further information.

## Applications

(30) Staff considering making an application should initially discuss the matter with their manager.

(31) Applications should then be submitted through either the Dean, Executive Director, Deputy Vice Chancellors or the Provost.

(32) Applications in writing (via email) must include the following details:

- a. full name;
- b. present position, date first occupied and present salary;
- c. date of proposed conversion to a Pre-Retirement Contract;
- d. date of proposed end of Pre-Retirement Contract;
- e. proposed negotiable options to be offered;
- f. proposed paid outside work, including anticipated income (if applicable);
- g. proposed percentage to be worked (if applicable);
- h. proposed re-allocation of duties within the school (if applicable).

## Approval

(33) The Dean in consultation with the Executive Director, Human Resources (or their representative) may:

- a. approve the application to convert to a Pre-Retirement Contract as proposed;
- b. refer the matter back to the applicant and the school concerned to re-examine such problems as disruption to work flow or of teaching or research programs, etc; or
- c. reject the application at their discretion.

## Forwarding Documentation

(34) Once approved by the relevant Dean or Executive Director, all Pre-Retirement Contract arrangements must be forwarded to HR Assist.

## Section 5 - Definitions

(35) For the purpose of this Procedure:

- a. Continuing staff member means a staff member with continuing employment;
- b. Pre-Retirement Contract is a full-time or a part-time staff declaring that it is his or her intention to retire, a fixed-term contract expiring on or around the relevant retirement date may be adopted as the appropriate type of employment for a period of up to five years;
- c. Substantive salary is a staff member's base salary plus any additional allowances or loadings that are paid in connection with the position held.

## Status and Details

<b>Status</b>	Current
<b>Effective Date</b>	1st November 2016
<b>Review Date</b>	5th February 2019
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