Process for Early Retirement from the Retirement Benefit Plan

Introduction

Members of staff can leave the University’s employment at any time, giving the notice required under their contract of employment. ‘Early retirement’ in this context, is defined as leaving the University’s employment before normal pension age (65 years) and receiving an immediate retirement pension from the RBP.

This guidance summarises the processes involved. The detailed rules on retirement before normal pension date, including the calculation of pension benefits, are set out in the Deed and Rules for the RBP.

Early retirement due to incapacity is an entirely separate process, requiring medical evidence. Further information is available from the HR Team.

Post 1991 Members

Retirement between the age of 60 and 65

Members who joined the Plan on or after the 1st January 1992 require the consent of the University if they wish to retire between the ages of 60 and 65. Where consent is given, the pension is calculated on the basis of the member’s final pensionable salary and pensionable service. No reduction factor is applied but the cost of providing the pension is greater, because it will be in payment for a longer period. This additional cost will fall upon the relevant salary budget. For this reason, consent will only be given where there is a good reason after careful consideration of the merit of each application for early retirement.

Retirement before reaching age 60

Post 1991 members will need the consent of both the University and the Trustee if they wish to retire before age 60. The pension will be reduced to allow for the fact that it will be in payment for a longer period. With the consent of the Trustee and the University, members may retire (with a reduced pension) at any time between the ages of 50 and 60. From April 2010, legislative changes mean the earliest date for retirement will be age 55. Although the early retirement pension is subject to a reduction factor, there is still an additional cost, which would fall on the Plan or the employer. For this reason, consent will only be given where there is a good reason after careful consideration of the merit of each application for early retirement.
Pre 1992 Members

Retirement between the age of 60 and 65

Members who joined the RBP before the 1st January 1992 may retire at any time on or after age 60. Pension will be calculated on the basis of the member’s final pensionable salary and pensionable service. Consent is not required.

Retirement before age 60

The process for requesting retirement before age 60 is the same as that for the post 1991 members, as set out above.

Applying for consent

The decision on granting consent from the University will be taken by the Pro-Vice-Chancellor for the Faculty concerned, or by the Registrar for all staff not employed in a Faculty, including all those in the Central Services. Members of staff who are seeking consent for early retirement should contact their HR Team in the first instance. Information on the level of benefits available is available in the Members Guide issued to all members of the RBP, and may also be obtained from the Payroll Section.

Where consent from the Trustee is required, the HR Team will forward the request from the member of staff to the Secretary to the Trustee, who will liaise as necessary with the Trustee and report back the decision.

Alternatives to Early Retirement

Members may leave the university’s employment at any time, and subject to having completed at least two years service, become a deferred pensioner, entitled to a pension at normal pension age of 65. As a deferred pensioner, there is provision for the deferred pension to be paid at any time before age 65, but the pension will be subject to an early payment reduction factor, and the consent of the employer is required. The reduction factor neutralises the cost of early payment, so consent will normally be available. Slightly more favourable terms for early payment of a deferred pension are available to members requesting early payment within 1 month of becoming a deferred pensioner.

Members of staff wishing to follow this route should contact their HR team, or the Payroll and Pensions office.

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Assistant Director HR, April 2008