

Conversion to a Fixed-term Pre-Retirement Contract - Operational Policy

1. Purpose of policy

1.1 The purpose of this policy is to make clear the terms under which eligible University staff can apply to enter into a fixed-term pre-retirement contract with the University.

2. Policy scope and application

2.1 This policy applies to full-time and fractional staff of the University.

3. Definitions

Please refer to the University's Glossary of Terms for policies and procedures. Terms and definitions identified below are specific to this policy and are critical to its effectiveness:

A fixed-term appointment is an appointment which has a specific commencement date and a specific end date.

An ongoing appointment is employment for an indefinite period and is other than a fixed-term or casual appointment.

A pre-retirement contract is a fixed-term contract of employment entered into by the University with a staff member who has indicated a willingness to commit to a retirement date. A pre-retirement contract supersedes any pre-existing contract/s of employment. The term of a pre-retirement contract is normally up to a maximum of 5 years, except in circumstances where the staff member chooses to take their accrued leave entitlements during the term of the pre-retirement contract. In such circumstances, the pre-retirement contract may be extended for a period no greater than six months.

Preservation age is the age at which a person can access their superannuation upon permanent retirement from the workforce. A person's preservation age is determined by the year the person was born.

A salary loading means an amount paid in addition to base salary. For the purposes of a pre-retirement contract with the University, a superannuable salary loading of 10 percent is payable on the staff member's substantive base salary, that is, not the salary that applies to an acting position, secondment or other higher level of payment.

4. Policy Statement

4.1 The University is committed to complying with its obligations under the University of the Sunshine Coast Enterprise Agreement. This policy sets out the framework for pre-retirement contracts between the University and staff members.

5. Principles

5.1 Purposes of Pre-retirement Contracts

5.1.1 Pre-retirement contracts are intended to benefit the University and the staff member.

5.1.2 A pre-retirement contract can benefit a staff member by:

(a) providing access to an incentive which augments remuneration during the term of the contract and may increase the staff member's superannuation benefits beyond the term of the contract (subject to any regulations of the relevant superannuation scheme);

(b) encouraging the staff member to plan more definitively and effectively for their future;

APPROVAL AUTHORITY

Vice-Chancellor and President

RESPONSIBLE EXECUTIVE MEMBER

Chief Operating Officer

DESIGNATED OFFICER

Director, People and Culture

FIRST APPROVED

19 November 2014

LAST AMENDED

11 October 2024

REVIEW DATE

15 May 2026

STATUS

Active

- (c) facilitating a smooth and systematic transition to retirement;
- (d) enabling the staff member to accommodate their differing circumstances as they near the end of their careers with the University; and
- (e) providing employment security for the term of the contract subject to 5.3.6.

5.1.3 A pre-retirement contract can benefit the University by:

- (a) enabling more effective workforce planning;
- (b) enabling changing workforce needs to be addressed more effectively;
- (c) improving career development opportunities for other staff members; and
- (d) enabling re-appointment to or re-structuring of the vacated position.

5.2 Eligibility

5.2.1 To be eligible to apply for conversion to a fixed-term pre-retirement contract, a staff member:

- (a) has reached their preservation age or will reach their preservation age during the term of the pre-retirement contract; and
- (b) has an ongoing appointment; and
- (c) has served at least 5 continuous years in an ongoing or fixed-term appointment at the University.

5.2.2 The staff member is responsible for seeking independent financial and superannuation advice before entering into a pre-retirement contract.

5.3 Principles for Pre-retirement Contracts

5.3.1 Pre-retirement contracts are:

- (a) voluntary and initiated by the staff member;
- (b) not subject to severance pay;
- (c) not an entitlement and are managed on a case-by-case basis;
- (d) provide a salary loading;
- (e) funded within the Cost Centre budget; and
- (f) available for a fixed term up to a maximum of 5 years. Where a staff member chooses to take their accrued leave entitlements during the term of the pre-retirement contract, the end date of the contract will be extended from the maximum 5 year period to include the equivalent leave period, provided the leave period does not exceed six months.

5.3.2 Staff members on pre-retirement contracts:

- (a) are subject to University performance management policies and procedures;
- (b) cannot have more than one contract at a time;
- (c) participate in annual Performance Planning and Review (PPR) discussions and for academic staff members, are subject to the implementation of normal workload allocations;
- (d) are eligible to participate in professional development activities, except Performance Development Program (PDP) and Study Assistance, and for academic staff members are eligible to apply for promotion; and
- (e) can access recreation and long service leave with the approval of their supervisor.

5.3.3 With the approval of their supervisor, a staff member on a pre-retirement contract can reduce their time fraction for the term, or part of the term, of their contract.

- (a) When the time fraction is reduced, a full-time staff member may continue contributing superannuation at the full-time loaded rate (where available under the relevant superannuation scheme), in which case the University will match the employer contribution at the full-time loaded rate.
- (b) A fractional staff member who further reduces their time fraction during the fixed-term appointment may continue contributing superannuation at the rate of the time fraction immediately prior to conversion to the fixed-term contract.

5.3.4 Recreation leave and long service leave (if applicable) can be:

- (a) paid out at the conclusion of the ongoing appointment at the unloaded rate and new accruals commence for the period of the fixed-term pre-retirement contract with the balances paid out at the conclusion of the pre-retirement contract at the loaded rate; or
- (b) carried over to and be taken during the pre-retirement contract and the balances paid out at the conclusion of the pre-retirement contract at the loaded rate.

5.3.5 Pre-retirement contracts are final and it is expected the staff member will retire permanently at the end of the contract.

Re-employment at the University is not normally an option. However, any former staff member who has completed a pre-retirement contract can only be re-employed on a casual basis, including casual academic appointment, and is not to be re-employed without the express prior approval of the Deputy Vice-Chancellor (Academic) for an academic appointment and the Chief Operating Officer for a professional appointment.

5.3.6 A pre-retirement contract ends by:

- (a) the effluxion of time; or
- (b) the staff member resigning; or
- (c) the University terminating employment through termination processes in accordance with the University's Enterprise Agreement.

END

RELATED DOCUMENTS

- Conversion to a Fixed-term Pre-Retirement Contract - Procedures

LINKED DOCUMENTS

- Conversion to a Fixed-term Pre-Retirement Contract - Procedures

RELATED LEGISLATION / STANDARDS

- University of the Sunshine Coast Enterprise Agreement