

# PRE-RETIREMENT EMPLOYMENT ARRANGEMENTS GUIDELINE



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## 1 PURPOSE

- 1.1 This guideline specifies the action to be taken when offering or requesting a pre-retirement contract at CQUniversity.

## 2 SCOPE

- 2.1 This guideline applies to all continuing employees of CQUniversity.

## 3 PRINCIPLES

- 3.1 Employees have the opportunity to enter into a pre-retirement arrangement in order to provide flexibility for the employee to plan their retirement, and to support the University in workforce planning.
- 3.2 Employees who are willing to commit to a retirement date may apply to enter into a pre-retirement fixed-term appointment with the University. Access to a pre-retirement fixed-term appointment is not an entitlement and will be negotiated on a case by case basis subject to the organisational needs of the University.
- 3.3 A pre-retirement fixed-term appointment is where an employee elects to enter into a single non-renewable fixed-term appointment. This means the employee, in their application, would request to change their current appointment with the University, which may be a continuing appointment, to a fixed-term appointment.
- 3.4 Once a pre-retirement fixed-term appointment is entered into the employee will be transferred to a fixed-term position and the arrangements become the employee's substantive employment terms and conditions. These would be transferred with the employee to any new position taken up during the period of the pre-retirement fixed-term appointment.

- 3.5 In return for opting for a pre-retirement fixed-term appointment, the employee will receive a one-off pre-retirement salary loading, calculated at 10% of one year of their annual base salary as at the date of agreeing the pre-retirement contract. The employee's other terms and conditions of employment, unless otherwise specified, remain the same.

## **4 GUIDELINES**

### **Eligibility**

- 4.1 In Australia there is no compulsory retirement age.
- 4.2 An employee may apply for a pre-retirement fixed-term appointment if he/she will be of retirement age (as defined in Part 5 of this document) and eligible for retirement on the expiration date of the pre-retirement fixed-term appointment.

### **Superannuation and other benefits**

- 4.3 Entering into a pre-retirement fixed-term appointment may alter an individual's entitlement to superannuation and other benefits.
- 4.4 The employee is responsible for considering any impacts on superannuation and other benefits, such as salary packaging. Employees should seek independent financial advice and are strongly encouraged to contact their superannuation fund prior to committing to a pre-retirement fixed-term appointment.

### **Application**

- 4.5 An employee may apply for a single non-renewable pre-retirement fixed-term appointment, by submitting a written proposal to the head of the organisational unit, through their relevant supervisor.
- 4.6 Where the head of the organisational unit supports the request, it should be submitted to the relevant Executive for authorisation and approval. The relevant Executive will advise the Director, People and Culture of the approval, in writing.
- 4.7 Further information is available on StaffNet under [People and Culture](#).

### **Pre-retirement salary loading**

- 4.8 The salary loading applicable to a pre-retirement fixed-term appointment will be expressed as a percentage of one year of the employee's base annual salary at the date of transition to the pre-retirement contract. This one-off loading will be taxable and will not be treated as salary for superannuation purposes. This loading is paid as a lump sum upon receipt in the People and Culture Directorate of an approved and signed pre-retirement agreement.
- 4.9 Where an employee is receiving a pre-retirement loading, it will be treated as a temporary allowance by UniSuper and QSuper.

### **Part-time employment**

- 4.10 An employee may apply to their head of organisational area to convert to part-time employment as part of their pre-retirement fixed-term appointment. The duties to be performed should be agreed prior to the approval of the appointment. Leave entitlements will be pro-rated accordingly.
- 4.11 Where an employee is approved to convert to part-time employment, the calculation of the loading will still be based on the full-time base annual salary.
- 4.12 Employees considering this option should seek independent financial advice on the impact to existing superannuation, salary sacrifice and other benefits.

## Subsidised superannuation contributions (optional)

- 4.13 During the period of part-time employment, and subject to the provisions or limitations of the employee's Superannuation Fund Trust Deed, the University may, with the consent of the Trustee, continue to contribute to the employee's superannuation fund at a rate equal to that applicable to the position to which the employee occupied immediately prior to the period of part-time employment. Employees should obtain advice from the University's Superannuation Officer in respect to this matter.
- 4.14 Note: If the University, with the consent of the Trustee, continues to contribute to the employee's superannuation fund at a rate equal to that applicable to the position prior to the period of moving to part-time employment, the employee would also be required to contribute at this rate.

## Leave

- 4.15 Annual leave, sick leave and long service leave will continue to accrue at the relevant rate during the period of the pre-retirement fixed-term appointment.
- 4.16 All annual leave must be exhausted prior to the conclusion of the pre-retirement fixed-term appointment unless approval is given by the Director, People and Culture.

## Performance management

- 4.17 The University's Performance Review Program continues to apply to the employees' performance during the term of the pre-retirement fixed-term appointment.

## Termination

- 4.18 An employee who enters into a pre-retirement fixed-term appointment is not entitled to a redundancy, termination or early retirement payment at the cessation of their pre-retirement fixed-term appointment.
- 4.19 A pre-retirement fixed-term appointment can be terminated by:
- the expiry date of the fixed term appointment being reached
  - the resignation of the employee before completion of the appointment, or
  - the University, but only in the case of unsatisfactory performance and/or serious misconduct in accordance with the relevant industrial instrument.

## Re-engagement by the University

- 4.20 Employees entering into a pre-retirement fixed-term appointment do so on the clear understanding that they are terminating their employment with the University at the cessation of the fixed-term appointment.
- 4.21 Re-engagement by the University on a continuing or fixed-term basis will ordinarily not be considered. There may be instances where a casual or adjunct appointment is mutually beneficial, but this should not form any part of an employee's expectations when entering into a pre-retirement contract.

## 5 DEFINITIONS

- 5.1 Terms not defined in this document may be in the University [glossary](#).

### Terms and Definitions

**Pre-retirement contract:** is a fixed-term contract expiring on or around the relevant retirement date for a period of up to five years.

**Retirement age:** the preservation age determined by the [Superannuation Industry \(Supervision\) Regulations 1994](#) (Cwlth), as the age at which benefits can be accessed if a member retires. For example, an employee born before 1 July 1960 can access superannuation benefits at 55 years of age.

## 6 RELATED LEGISLATION AND DOCUMENTS

[Central Queensland University Enterprise Agreement 2017](#)

Pre-Retirement Checklist

## 7 FEEDBACK

7.1 University staff and students may provide feedback about this document by emailing [policy@cqu.edu.au](mailto:policy@cqu.edu.au).

## 8 APPROVAL AND REVIEW DETAILS

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Administrator	Director, People and Culture
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