

GUIDE TO PRE-RETIREMENT

Guidelines to be used in conjunction with Flexible Working Hours Policy PL 121

Guideline Owner: Director, Human Resources Services Centre

Keywords: 1) Pre-Retirement Contract 2) Retirement 3) End of Career 4) Flexibility

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1. INTENT

To outline possible options that may be available to an ongoing (full time or part time) Eligible Employee contemplating retirement from the University together with the approval process for a Pre-Retirement Contract.

2. ORGANISATIONAL SCOPE

All eligible ongoing (full time or part time) ECU employees.

3. DEFINITIONS

TERM	DEFINITION
Delegated Authority	The University officer with delegated authority to approve a Pre-Retirement Contract arrangement in accordance with the ECU HR Delegations.
Fixed-term Contract	Is employment with a specific commencement date and a specific end date when employment ends.
Eligible Employee	An ongoing employee with a current FTE of at least 0.5FTE and will become eligible at the time of retirement to receive a retirement benefit from their superannuation fund.
Industrial Instrument	The Edith Cowan University Enterprise Agreement 2017.
Pre-Retirement Contract	Is a Fixed-term Contract of employment and will supersede any pre-existing contract of employment.

4. GUIDELINES CONTENT

- 4.1 A Pre-Retirement Contract is an initiative that may support the University and an Eligible Employee to reach mutually beneficial arrangements that enables them to accommodate their differing circumstances as they transition into retirement, and assists the University with its operational needs including workforce and succession planning, and knowledge transfer before retirement commences.
- 4.2 A Pre-Retirement Contract is voluntary and may be initiated by either an Eligible Employee or the University. Where a Pre-Retirement Contract is agreed the Eligible Employee's ongoing employment contract is superseded by a Fixed-term Contract for a specific period of up to five (5) years.
- 4.3 Where a Pre-Retirement Contract is less than 5 years an extension may be offered by the University in limited circumstances, provided the extension does not exceed a total period of 5 years. Where practicable the terms of an extension are to be negotiated and agreed 6 months before the initial Fixed-term Contract end date.
- 4.4 An Eligible Employee who accepts a Pre-Retirement Contract has no entitlement to:
- (a) further employment at the Fixed-term Contract end date; or
 - (b) a severance, redundancy or voluntary early retirement payment during or at the end date of the Fixed-term Contract.
- 4.5 A Pre-Retirement Contract ends by:
- (a) the effluxion of time; or
 - (b) the resignation of the Eligible Employee; or
 - (c) the termination provisions set out in the employment contract or an Industrial Instrument.
- 4.6 **Pre-Retirement Contract Duties**
Duties to be performed during the Pre-Retirement Contract period are to be agreed between the University and the Eligible Employee prior to commencement of the appointment.
- As part of this arrangement variations to the Eligible Employee's current duties or role may be explored, such as refocusing of activities (e.g. research focus, or teaching focus, or decreased responsibility, or specified project), and these variations may form part of the terms of the Pre-Retirement Contract.
- 4.7 **Independent Financial Advice**
It is the Eligible Employee's responsibility to seek suitable independent financial advice on the effect of these arrangements on their personal circumstances prior to entering into a Pre-Retirement Contract.
- 4.8 **Pre-Retirement Contract Options.**
There are two options available and Eligible Employees are encouraged to discuss their preferred option with their line manager.

4.8.1 **Option A**

A part-time appointment for a full-year or more up to the Fixed-term Contract end date; or

4.8.2 **Option B**

A full-time, part year appointment up to the Fixed-term Contract end date (e.g. 6 months full-time work in each 12 month period equating to 0.5FTE for a full year).

4.8.3 In both options, the University will continue to pay the employer contribution to the employee's superannuation fund (as if the employee had not reduced their fraction over the Pre-Retirement contract period); and

(ii) the employee may elect to continue paying pre-tax employee superannuation contributions for the term of the contract;

unless otherwise required by legislation including the Industrial Instrument.

4.9 The accrual of leave entitlements and taking of leave will be in accordance with the Industrial Instrument. At commencement of a Pre-Retirement Contract leave entitlements will accrue on a pro rata basis where a fractional appointment has been elected.

4.10 Negotiating and Approving a Pre-Retirement Contract

4.10.1 The University or Eligible Employee may offer to negotiate a Pre-Retirement Contract.

4.10.2 A Pre-Retirement Contract arrangement must be endorsed and approved by the relevant University Delegated Authority.

4.10.3 Where a Pre-Retirement Contract is agreed, this Fixed-term Contract supersedes the Eligible Employee's ongoing employment contract.

4.10.4 The Pre-Retirement Contract commences for the specified term, and at the end date the employment terminates, and the Eligible Employee retires.

4.11 The University reserves the right not to offer or approve a Pre-Retirement Contract, and there is no compulsion on the University to offer an extension of the term of a Pre-Retirement Contract.

5. ACCOUNTABILITIES AND RESPONSIBILITIES

In relation to these guidelines, the following positions are responsible for the following

Guidelines Owner

The Guidelines Owner the Director Human Resources Services Centre has overall responsibility for the content of these guidelines and its operation in ECU.

Interested Eligible Employees making a request under these Guidelines should seek guidance under section 7 of these Guidelines in the event of uncertainty as to its application.

6. RELATED DOCUMENTS:

6.1 The policy and guidelines are supported by the following:

- ✓ [Flexible Working Hours Policy](#)
- ✓ [Edith Cowan University Enterprise Agreement 2017](#)
- ✓ [ECU HR Delegations](#)

6.2 Other documents which are relevant to the operation of the policy and guidelines are as follows:

- ✓ [Retiring from ECU Web-page Resources](#)
- ✓ [Application for Pre-Retirement Contract](#)

7. CONTACT INFORMATION

For queries relating to this document please contact:

Guidelines Owner	Director, Human Resources Services Centre
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8. APPROVAL HISTORY

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