

Staff - Pre-Retirement Contract Procedures

INTRODUCTION

A pre-retirement contract is a workforce planning tool that provides staff members with certainty of retirement dates and assists the University with succession planning and knowledge transfer. The University provides eligible staff members of retirement age, the opportunity to negotiate an impending retirement in a planned and timely manner and/or to phase down to retirement rather than experience a sudden and final exit from the University. Pre-retirement contracts are voluntary and discussion may be initiated by either the staff member or the University, in accordance with the [Charles Darwin University and Union Enterprise Agreement](#).

A pre-retirement contract is a fixed-term contract of employment between the University and an eligible staff member who has indicated a willingness to commit to a retirement date. It supersedes any pre-existing employment contract. The staff member's employment with the University ends on the expiration of the pre-retirement contract.

COMPLIANCE

This is a compliance requirement under the [Charles Darwin University Act 2003](#) part 3, section 15.

INTENT

This document outlines the provisions under which the University will enter into with a pre-retirement contract to a staff member.

RELEVANT DEFINITIONS

In the context of this document

Continuing appointment means a staff member who is engaged under a continuing full-time or part-time contract of employment that continues until resignation, retirement, or termination;

Eligible staff member means a staff member with a continuing appointment who has reached retirement age or will reach retirement age within or at the expiry of the pre-retirement contract whether engaged under a full-time or part-time contract of employment;

Retirement age means the preservation age determined by the [Superannuation Industry \(Supervision\) Regulations 1994](#) as the earliest age at which superannuation benefits can be accessed;

Organisational unit means school, centre or other academic unit; a department, or other administrative unit within the University;

Salary loading in a pre-retirement contract means the amount paid in addition to the base salary up to a maximum of 10% to facilitate the changes in the employment relationship from continuing to fixed-term;

Senior Executive means a staff member of the University holding the position of Vice-Chancellor, Provost, Deputy Vice-Chancellor, Pro Vice-Chancellor or Chief Financial Officer or equivalent;

Senior Manager means a staff member of the University holding the position of Director or Head of School or equivalent; and

Staff member means a person employed by the University on a continuing or fixed contract whether full-time or part-time.

PROCEDURES

A pre-retirement contract provides benefits to both the University and its staff members. While the University generally encourages the use of a pre-retirement contract, it is not an entitlement and will only be entered into where the cost of a pre-retirement contract is offset by a resulting benefit or gain to the University.

Benefits to the staff member include:

- Allowing the staff member to plan for the future by giving guaranteed employment for the duration of the contract;
- Job and salary security for the duration of the contract; and
- A potential increase in the staff member's remuneration for the remaining period of employment, if a salary loading is applicable.

Benefits to the University include:

- Assistance with strategic/organisational planning and financial management;
- Workforce planning certainty for succession planning of future workforce needs; and
- Enabling professional development and/or responsibility redistribution opportunities for other existing staff members.

Contracts

Pre-retirement contracts are voluntary and discussions may be initiated by either an eligible staff member or the University. An eligible staff member who agrees to a pre-retirement contract will have his or her appointment converted from continuing to fixed-term for between one (1) and five (5) years. The staff member's employment with the University will then end on the expiry date of the pre-retirement contract.

A staff member whose pre-retirement contract has expired cannot be re-employed in an ongoing or fixed-term capacity at the University, unless there are exceptional circumstances, and the Vice-Chancellor provides written approval for the appointment.

Terms and Conditions

The terms and conditions of a pre-retirement contract will be negotiated on a case-by-case basis, between the staff member and the relevant Senior Manager on behalf of the University, to determine:

- The position title and level of appointment. The position profile forms part of the contract as an attachment. Although the position profile may indicate the location (campus or regional training centre) the position of the appointment is with the University and the staff member may be required to undertake duties at any other University location;
- Length of the contract, including start and end dates. Pre-retirement contracts cannot be backdated and must be set for a minimum of one (1) year up to a maximum of five (5) years duration;
- Salary loading, if applicable;

- A leave plan, if all leave entitlements have not been exhausted;
- Hours of work and flexible employment options. For example, a staff member may request to work full-time, part-time or a combination of both; and
- Any other terms and conditions of employment agreed upon forming the basis of the pre-retirement contract. This may include but is not limited to an alteration of work responsibilities, for example, in the case of an academic staff member, the re-assignment of teaching or research duties.

Any other terms and conditions negotiated beyond those above must be submitted to Director, Office of People and Capability for approval.

A staff member employed on a pre-retirement contract must continue to observe the [Charles Darwin University and Union Enterprise Agreement](#) and all University Governing Documents during the term of the pre-retirement contract.

Remuneration and Salary Loading

All financial elements of a pre-retirement contract must be funded by the staff member's organisational unit. The remuneration component of a pre-retirement contract will normally include a base salary plus a salary loading. The level of the salary loading will be at the discretion of the relevant Senior Executive and will be determined as a percentage of the base salary up to a maximum loading of 10%.

A salary loading may be influenced by:

- The length of the pre-retirement contract;
- The staff member's length of service with the University; and
- If applicable, the staff member's current level of leave entitlements.

A salary loading is paid to facilitate the changes in the employment relationship from continuing to fixed-term.

A staff member employed on a pre-retirement contract will remain eligible for pay increases payable under [Charles Darwin University and Union Enterprise Agreement](#).

Superannuation

The salary loading, in addition to the base salary negotiated in the pre-retirement contract, will attract superannuation contributions from both the staff member and the University at the same rates as applied during the staff member's continuing employment.

Leave

It is a requirement that all leave be exhausted prior to the commencement of the pre-retirement contract. Alternatively a leave plan may be negotiated in the pre-retirement contract.

Annual leave, personal leave and long service leave will continue to accrue at the relevant rate throughout the staff members pre-retirement contract.

End of Pre-Retirement Contract

A pre-retirement contract will end in the following instances:

- At the date of expiry being reached;
- When a staff member tenders a resignation, before the date of expiry; or
- At the Vice-Chancellor's discretion, in cases of proven serious misconduct or unsatisfactory performance.

Any termination provisions outlined in [Charles Darwin University and Union Enterprise Agreement](#) will apply, including where a restructure or retrenchment may occur during the time of the pre-retirement contract.

Confidentiality

Pre-retirement contracts are confidential agreements between an individual staff member and the University. Pre-retirement contracts are negotiated privately, on a case-by-case basis and will not be communicated in any form to any person, other than with the staff member's express permission, to a staff member's agent, accountant or the Australian Taxation Office.

The terms and conditions of one (1) staff member's contract will not be used to set a precedent for other such contracts.

Advice

A staff member should seek independent financial advice on the effect a pre-retirement contract may have on his or her superannuation and/or other benefits.

Senior Managers or Senior Executives will contact the Director, Office of People and Capability to initiate pre-retirement contracts or respond to requests for pre-retirement.

ESSENTIAL SUPPORTING INFORMATION

Internal

[Charles Darwin University and Union Enterprise Agreement 2013](#)

[Code of Conduct](#)

[Human Resources Policy](#)

[Information Privacy Policy](#)

External

[Age Discrimination Act 2004](#) (Commonwealth)

[Equal Employment Opportunity \(Commonwealth Authorities\) Act 1987](#) (Commonwealth)

[Fair Work Act 2009](#) (Commonwealth)

[Information Act 2002](#) (Northern Territory)

[Superannuation Industry \(Supervision\) Regulations 1994](#) (Commonwealth)

Document History and Version Control

Last amendment:	15 Dec 2017	Next Review:	Oct 2017
Sponsor:	Deputy Vice-Chancellor, Operations		
Contact Officer:	Director, People and Capability		

Version	Date Approved	Approved by	Brief Description
1.00	21 May 2008	Vice-Chancellor	Creation of original document and upload to CDU website.
2.00	27 Jun 2012	Vice-Chancellor	Major review of document in line with new Enterprise Agreement including converting document from old process document to current procedure template
2.01	5 Aug 2013	Governance	<ul style="list-style-type: none"> • Assigned document number • Converted document to current template • Updated and added hyperlinks • Minor changes to wording, grammar and formatting
2.02	18 Sep 2013	Governance	<ul style="list-style-type: none"> • Contact officer changed from the Manager Employee Relations, OHRS to the Manager HR Business Services • Additional sentence under Advice - Managers / Senior Executives should contact the Manager HR Business Services to initiate pre-retirement contracts or respond to requests for pre-retirement • Updated definition of Senior Executive – removed Executive Directors and included Chief Operating Officer, Deputy Chief Operating Officer or Chief Financial Officer
3.00	21 Oct 2015	Vice-Chancellor	<p>Major Review of document in line with biennial review requirements and Charles Darwin University and Union Enterprise Agreement 2013</p> <ul style="list-style-type: none"> • Update introduction and intent • Update definitions and add new definitions for staff member and organisational unit • Addition of information under Leave and Superannuation • Minor syntax rework, sentence structure
3.01	15 Dec 2017	Governance	<ul style="list-style-type: none"> • Conversion to new template due to new University branding • Updated definitions • Updated hyperlinks • Amended reference to Human Resource Services to Office of People and Capability • Amended Contact Officer from Manager, Employee Relations, Office of Human Resource Services to Director, People and Capability • Added Sponsor Deputy Vice-Chancellor, Operations