

# Pre-retirement Contract Policy

## Section 1 - Purpose

(1) To outline the provisions under which the University will issue a Pre-retirement Contract to a staff member.

### Background

(2) The Macquarie University [Enterprise Agreements](#) makes provision for Pre-retirement Contracts.

(3) Pre-retirement Contracts are intended to provide a greater level of certainty for both the organisation and the staff member and are designed to assist with organisational planning and financial management.

(4) A Pre-retirement Contract is a fixed-term contract of employment between the University and an employee who has indicated a willingness to commit to a retirement date. If sought, and approved, a Pre-retirement Contract will supersede any pre-existing contract of employment.

(5) A Pre-retirement Contract allows the University and a continuing member of staff to jointly agree that the staff member will give up their continuing status and enter into a fixed-term contract prior to their retirement.

(6) The length of the Pre-retirement Contract will be determined within the context of the circumstances that exist within the organisational unit. Typically the period of a Pre-retirement Contract will be between six (6) and twenty-four (24) months.

(7) The staff member's employment with the University ends on the expiration of the Pre-retirement Contract.

### Scope

(8) This Policy applies to staff employed under the Macquarie University [Enterprise Agreements](#).

(9) It will be of particular relevance to all continuing staff members of the University who have reached eligible or are approaching superannuation retirement age in accordance with their superannuation fund.

## Section 2 - Policy

### Agreement

(10) A staff member should seek independent financial and superannuation advice prior to entering into a Pre-retirement Contract.

(11) A staff member may request to enter into a Pre-retirement Contract.

(12) The University and the staff member must agree to enter into the Pre-retirement Contract.

(13) Pre-retirement Contracts will be offered on the basis of a staff member's substantive position.

## Approval

(14) The Chief People Officer may approve the recommended offer of a Pre-retirement Contract.

(15) The Chief People Officer may decline an application for a Pre-retirement Contract if they consider that the issuing of a Pre-retirement Contract is not in the best interests of the organisational unit or University.

(16) The University reserves the right to decline an application for a Pre-retirement Contract and the right to specify particular contract conditions.

## Loading

(17) Pre-retirement Contracts usually attract a loading equivalent to 15%. The Chief People Officer may grant a higher loading or lower loading dependent upon the circumstances.

(18) Loadings will be paid from budget unit funds.

(19) A staff member on a Pre-retirement Contract is ineligible for severance pay or redundancy payments.

## Superannuation

(20) The loading will be subject to superannuation contributions by both the staff member and the University in accordance with the requirements of the staff member's superannuation fund.

(21) The loading can be part of a salary sacrifice packaging arrangement.

## Leave

(22) The staff member will be paid any outstanding annual or long service leave at their substantive rate of pay at the conclusion of the Pre-retirement Contract.

## Termination of Pre-retirement Contract

(23) A Pre-retirement Contract can be terminated:

- a. by agreement between the parties; or
- b. when the contract expires; or
- c. in accordance with the provisions under the Macquarie University [Enterprise Agreements](#).

## Compliance and Breaches

(24) The University may commence applicable disciplinary procedures if a person to whom this Policy applies breaches this Policy (or any of its related procedures).

## Section 3 - Procedures

(25) Refer to the [Pre-retirement Contract Procedure](#).

## Section 4 - Guidelines

(26) Nil.

## Section 5 - Definitions

(27) Nil.

## Status and Details

<b>Status</b>	Current
<b>Effective Date</b>	22nd February 2021
<b>Review Date</b>	1st April 2021
<b>Approval Authority</b>	Vice-President, People and Services
<b>Approval Date</b>	29th October 2006
<b>Expiry Date</b>	Not Applicable
<b>Responsible Executive</b>	Eric Knight Deputy Vice-Chancellor (People and Operations)
<b>Responsible Officer</b>	David Ward Chief People Officer
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