

Frequently Asked Questions – ERP Enhanced Retirement Options

| QUESTIONS RELATING TO EARLY RETIREMENT OPTIONS | |
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| I don't understand the difference between early retirement, pre-retirement and phased retirement. What do these terms mean? | Please see the overview above for examples and explanations for each of the retirement options. Further information is available at: http://www.unimelb.edu.au/ppp/docs/20.html#20.7 . And http://www.unimelb.edu.au/ppp/docs/7.html#7.5 |
| If I enter into an early retirement, pre-retirement or phased retirement contract, can I later change my mind? | No. Due to the incentives received by the staff member, these agreements are binding. The Head of Budget Division (Dean) must approve any variation to the cessation date. |
| What do I have to do to be eligible for the additional \$10,000 payment under the ERP announcements? | To be eligible for the additional \$10,000 payment, you are required to enter into a written retirement agreement (early, pre- or phased retirement) by no later than 31 December 2009 (Expression of interest required to be lodged by 30 November 2009) and cease employment by no later than 30 June 2011 |
| I am interested in entering into a retirement agreement but I am under 55 years old. Is there any age requirement for these arrangements? | No. Staff of any age can enter into retirement (early, pre- or phased) agreements. The University's policy does not discriminate on the basis of age. If intending to access your superannuation after retirement, you should make an appointment with Unisuper (or your alternative superannuation provider) to discuss requirements around accessing your superannuation. The University's Superannuation Officers can arrange an appointment for you with Unisuper and can be contacted on: <ul style="list-style-type: none"> • David Citroen – Ph: 8344 6150/Email: citroen@unimelb.edu.au • Damien Zanic – Ph: 8344 6075/Email: dzanic@unimelb.edu.au |
| An example of a early retirement incentive | Mr Jack West has decided to retire from and enters into a retirement agreement with the University in November 2009 with an agreed cessation rate of 31 December 2009. In exchange for this agreement, Jack will be paid a lump sum incentive payment of 60% of his annual salary (HEW Level 6.5 being \$64,683) which is \$38,809. Additionally, as Jack entered into the early retirement agreement prior to 31 December 2009, he is entitled to a further \$10,000 lump sum incentive payment under the ERP provisions. Jack's total payment on ceasing employment on 31 December 2009 will therefore be \$48,809, plus his accrued leave entitlements. |
| An example of a pre-retirement contract | Example: Professor Harriet Black has decided to retire during 2011. Harriet enters into a pre-retirement contract with the University agreeing to retire on 30 June 2011. For the period from 1 January 2010 through until 30 June 2011, Harriet will be paid an additional loading of 20% of her gross annual salary to be paid each fortnight on top of her normal annual salary (\$140,335 p.a. for Level E.1). The loading is calculated as 20% X \$140,335 p.a. = \$28,067 p.a., which is paid as an extra \$1,075.80 per fortnight. Prior to the commencement of the pre-retirement contract, |

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| | <p>Harriet provides a written instruction to Human Resources to advise that she wishes to salary sacrifice the additional amount of \$1,075.80 directly into her Unisuper superannuation account each fortnight, in order to top up her superannuation across the period prior to her retirement.</p> |
| An example of a phased retirement contract | <p>Example: Dr Liz Scofield has been employed at the University on a full-time basis since 1 January 2003. Liz is not ready to retire now but would like to gradually scale down her hours and to retire during 2011. Liz enters into a phased retirement agreement under which she will reduce her time fraction to 80% (ie 4 days per week) during 2010 and to 60% (ie 3 days per week) up until retirement in 2011. Liz's superannuation is maintained by the University at 100% throughout the period until her retirement on 30 June 2011.</p> |
| Who can I speak to about these retirement schemes? | <p>If you are interested in applying for any of these options, you should arrange a discussion with your manager/supervisor in the first instance.</p> <p>Your Human Resources Consultant (http://www.hr.unimelb.edu.au/aboutus/contact/cs) can also answer any queries you may have about the operation of the various retirement arrangements available under the University's policies.</p> |
| Where can I obtain more information about my superannuation benefits? | <p>Staff considering retirement options are encouraged to arrange a personal consultation with Unisuper. The University's Superannuation Officers can arrange an appointment for you with Unisuper (or alternate superannuation provider) and can be contacted on:</p> <ul style="list-style-type: none">• David Citroen – Ph: 8344 6150/Email: citroen@unimelb.edu.au• Damien Zanic – Ph: 8344 6075/Email: dzanic@unimelb.edu.au |