



Employment Law Training Ltd

www.eltraining.co.uk

Model Retirement Policy

At ABC Ltd we are keen to offer flexible working and retirement options, which enable people to work up to, and beyond state pension age should they choose to. We do this by taking the following approaches to retirement:

- base retirement policy on business needs and relevant legislation
- give individuals as much choice and notice as possible
- evaluate the loss to the organisation of skills and abilities and plan how to replace or retain these
- use flexible retirement schemes
- make pre-retirement support available.

The normal retirement date for Company employees is their 65th birthday. You can request retiring early or working beyond this date, and any request will be given full and positive consideration.

The Company is committed to flexible working and will consult with you about your proposed retirement date. The availability of flexible working is subject to your being capable of continued work.

Pre-retirement support

We will help employees prepare for retirement with:

- financial guidance
- the opportunity to attend workshops
- from the age of 60 onwards, or where ill health is a factor, we try to offer employees flexibility over both retirement date and working patterns, for example a reduction of hours, gradual retirement, lower grade or less stressful work. This is always subject to suitable work being available.

Pre-retirement checklist

In the run up to retirement there are a number of items that need to be discussed and agreed by the Company:

a) Between 12 and 6 months before your 65th birthday the Company will write to you advising you of the due date of retirement, your 65th birthday. If you wish to be considered for work after your due retirement date you should notify your manager, in writing, not later than three months before your due retirement date. Your request should state how long you wish to work beyond your 65th birthday – is it until a set date, a set period, eg six months, or is it a request to work on indefinitely.

b) Six months before your retirement date your manager will contact the Company's pension providers to notify them of your leaving date.

c) Three months before retirement, Payroll will check that you have received a notification from the DWP regarding the payment of the State pension, and if not, will chase the DWP for it.

d) One month before retirement, Payroll will review the situation regarding any loans, outstanding holidays, statutory sick pay, etc., and advise your manager about any adjustments that may need to be made.

e) Also one month before retirement, we will look at all the issues connected with your company vehicle, if you have one. In certain situations you may be offered the opportunity to purchase this vehicle at the value set by our leasing company

f) On your last day you will receive a leaving gift to the value of xxxxxxxx

g) Employees will not be normally permitted to remain in the company beyond their xxxx birthday

Preparation for Retirement

Management Information

Information will be supplied to managers on a quarterly basis identifying staff who are aged 58 or 63 who are potentially due to retire in 2 years time. This will aid managers with succession plans and help them to support their staff in relation to retirement planning.

Pre-Retirement Interviews

All staff who are retiring should be offered a pre-retirement interview with their manager. This should take place at least six months before the employee's retirement date. The member of staff should have the option to be accompanied by a colleague or family member. At the interview, the manager and employee may wish to cover the following and may also seek advice from the Human Resources Department:

- Formal agreement of actual date
- Pre-retirement training courses / information
- Alternative employment options (including phased retirement / part time working etc)
- Voluntary work
- Extension of contract

- Retirement party (locally funded) / local presentation (managers should be sensitive to the needs and feelings of individuals and respect their wishes re this)
- Keep in touch arrangements
- Long Service Party
- Meeting with Pensions Officer 3 months prior to retirement who will advise on
 - Pensions estimates
 - Completion of papers for retirement

Pre-retirement seminars / courses

Pre-retirement seminars and courses are organised through xxxxxxxx/ training department. To book onto one of these courses contact xxxxxxxxxxxx. Staff are encouraged to take this opportunity and are entitled to paid leave and expenses to attend a retirement course during the five year preceding their retirement date.

Early Retirement

An employee who has reached the age of xxxx and who has a minimum of _____ years' service with the company may be considered for early retirement either on grounds of ill-health or in specific circumstances where volunteers are sought for redundancy. In either case, the _____ will provide full details.

Special rules apply in cases of ill health and each case will be dealt with individually and sympathetically in accordance with the regulations relating to the member of staff concerned. The decision as to whether ill health retirement applies is solely that of the xxxxxxxx

Flexible retirement

Flexible, phased retirement helps the Company to prepare for the loss of employee skills. It also allows you to alter the balance of your working and personal life and prepare for full retirement, should you wish to do so.

Options that could suit employees who are close to retirement include:

- part-time working, including job share
- short-term contract working
- flexible location working, including from home
- seasonal working
- a secondment to a different role
- outplacement with another employer or charitable organisation

The three schemes we operate are:

1. Winding Down

Wind Down is an alternative to retiring - you can reduce your hours in your current post in ways that do not reduce pension benefits.

2. Stepping Down

Step Down is an option to move to a less demanding role in a way that preserves pension entitlement from the higher level post.

This will only be possible if there is a suitable role to step-down into. You should discuss this option with your manager and can also seek advice from your manager as to what the implications are.

3. Retire and continue

In this option, you “retire” and start receiving your pension but return to carry on with part-time or full-time work in the long or short term.

We are keen to retain the skills and knowledge of those who are considering retiring early or who have recently retired. If you want to work for us on a temporary basis we will be happy to consider your application.

There are no significant obstacles to staff resuming work after retirement - for full-time, part-time or short periods.

Discuss with your manager how you can come back to work with us in ways that do not affect your pension income

Presentation

All retiring employees, regardless of their entitlement to a pension from the company, will be entitled to receive a gift from the company. The value of the gift will be based on a calculation of £_____ for each year of service. Employees who have completed more than _____ years' service with the company will be given a retirement buffet lunch at the company's expense.

Request to continue working - procedure

Should the employee wish to carry on working beyond normal retirement age, as stated above, such a request must be put in writing to the Manager. This should be between 3 months and 6 months before the planned retirement. The letter should state whether this request is for a set period of time, to a set date or indefinite.

(Note for Employer - A standard request form would be a good idea)

The Manager will then invite the employee to a meeting to discuss the request. The employee has the right to have a colleague or Trade Union Representative as a companion. This meeting will be arranged as soon as reasonably possible, and will normally be within 2 –4 weeks of the employee request. Only in exceptional circumstances will it take more than 4 weeks to arrange a meeting.

If the request is agreed, the Manager will confirm this in writing. If the request is rejected, the employee has the right to make one appeal. This appeal must be in writing, no later than 2 weeks after the rejection letter. A more senior Manager will deal with this, and again the employee has the right to be accompanied. This appeal meeting will be

arranged as soon as reasonably possible, and will normally be within 2 –4 weeks of the employee's appeal letter. Only in exceptional circumstances will it take more than 4 weeks to arrange an appeal meeting.

The final decision will be confirmed in writing. If the request has been turned down, the letter will confirm the planned retirement date of the employee.

The Company reserves the right to refuse a request to work beyond the normal retirement age of 65 and will normally provide the business reasons for this decision. An employee can make only one request.

CHECKLIST OF KEY POINTS

- Forcing an employee to retire can constitute a dismissal in law, unless the proper process is followed.
- The statutory default retirement age from October 2006 is 65. Any forced retirement below this age must be justified by the Employer on business grounds. Employees can request leaving before they are 65 and this will be down to the Employers retirement rules.
- From October 2006, employees of any age are entitled to claim unfair dismissal and redundancy payments (the age 65 barrier disappeared)
- Where employees continue to work beyond retirement age, their continuous service continues to accrue and notice provisions must be applied in the same way as if they were below retirement age.
- From October 2006, employees have the right to bring claims of age discrimination (with unlimited compensation) if they are denied the right to make an application to continue working.
- If an employee requests working on, the Employer must hold a meeting with the employee. The employee is entitled to a companion and is entitled to make one appeal if their request is turned down.
- If the Employer follows the correct process to consider a request to work on, but rejects the request, this should be a fair dismissal.
- If the Employer retires everyone at age 65 after following the correct procedure there should be no claims for Age Discrimination or Unfair Dismissal, but if some employees work beyond 65 this could enable them to make subsequent claims for age discrimination and unfair dismissal if treated unfairly.

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