

No. 4

Managing Retirement

A people management guide

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
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1. Foreword

This guide forms part of the 'People Matters' series, which are designed for managers who have line management responsibilities. Human Resources (HR) have written this to:

- help managers fulfil their responsibilities in line with the FC's Retirement Policy;
- make sure that the FC uses best practice in the process and is legally compliant; and
- provide a fair and consistent process for all employees.

Throughout the guide the following icons will help provide direction:

 **Mandatory elements.** These are actions necessary to meet legal requirements or to comply with corporate policy and procedure.

● **Timebound elements.** These are deadlines that you must aim to meet as best management practice.



Recommendations. These are auditable actions that you should practise for efficiency and effectiveness. Any variation must be defined and authorised by Unit Managers.



Cautions against certain actions, or things to avoid.

If you have any comments on this booklet, its procedures, or any new ways of presenting this subject please contact HR Policy in Human Resources in Silvan House.

We will post updates on the Human Resources area of e-Connect in the ['People Matters'](#) folder and tell you in an article in the Connect Bulletin.

1.1 Moving around this booklet

We have designed this guide for you to read 'on screen' using Adobe Acrobat Reader version 6.0 or later. If you need guidance on how to use Reader please click on [this link](#).

2. What's mandatory and recommended in this guide?

2.1 What's mandatory

Here we summarise for you all the mandatory elements that are in this guide, with the relevant section for you to refer to.

No.	Requirement	Section
1.	Ensure notice of retirement is in writing and pass this to HR Services immediately.	5
2.	Ensure employee is aware of the support available to them when making the transition to retirement.	5
3.	Clearly communicate decisions on partial retirement requests and the reasons behind them.	7
4.	Submit employee's application for partial retirement to Unit Manager for approval, before sending to HR Services to action.	7

2.2 What's recommended

Here we summarise for you all the recommendations that are in this guide, with the relevant section for you to refer to.

No.	Recommendation	Section
1.	Develop open dialogue with your team about their career goals and retirement plans.	4
2.	Consider resource planning options when you receive notification of retiral from a member of your team.	4
3.	Ask the individual how/if they would like to celebrate their retirement.	6
4.	Assess the impact a partial retirement request may have on your team.	7
5.	Ascertain your Unit Manager's thoughts when considering a request for partial retirement.	7

3. Introduction

Within the FC, employees choose when to retire and take their pension benefits, providing they are eligible to do so under the provisions of their pension scheme. This short guide helps managers to fulfil their responsibilities under the FC's Retirement Policy.

4. Succession planning

Whilst the FC wants to make sure that employees do not feel pressurised into retirement, it is perfectly legitimate for you to ask older employees if they are thinking about making plans for retirement.



This dialogue is likely to take place during the normal performance management process when you are considering the work-plan of your team, what people's forward job plans are, and most importantly, when considering what an individual's career aspirations are. You should not be afraid to have this conversation because resource planning is a necessary and important part of your job. It's likely that you'll only want to consider exploring retirement plans with employees who are over 58 as this is two years before those in the Classic, Classic Plus, and Premium pension schemes (over 80% of the current FC workforce) will be approaching their scheme pension age – the age at which full pension benefits can be drawn.

Knowing about an employee's retirement plans will allow you to start thinking about how you can ensure business continuity takes place successfully so that the FC can minimise the risk of a skills or knowledge gap that may affect the team's ability to deliver.



Once you know the individual is intending to retire you should start to make plans and consider if you need to fill the post. If you do, consider the following options:

- *reviewing and re-organising work;*
- *recruiting a successor; and*
- *training existing employees (ensuring knowledge and skills transfer takes place efficiently)*

Remember that all these options can take time and you'll need to consider the timescales involved to minimise any disruption to FC business when an employee finally retires.

5. Receiving notification of retirement from an employee

- **When an employee confirms their intended retirement date you should ensure that they provide you with written notification. When you receive this you should forward it on to HR Services immediately who will start to prepare the administration arrangements for the employee leaving the FC and for them to receive their pension benefits on retirement.**

Figure 1 provides a flow chart, which demonstrates the process for arranging retirement from both an employee and manager's perspective.

- **Think about how you can support the employee make the transition into retirement. Ensure they are aware of the support available from the FC referenced in the Retirement Procedure, including the pre-retirement event and the 'Thinking about and Preparing for Retirement' guidance booklet.**

You may also want to consider if the individual would be interested in remaining engaged in the FC's activities on a voluntary basis.

6. Giving recognition

When a member of your team has decided to retire you'll be starting to think about how you can give thanks and recognition to the effort and dedication they have given. It's important that our employees finish their time at the FC feeling like their contribution has been valued and is appreciated.



Ask the individual how they would like to say farewell to colleagues and if they would like to have a retirement celebration.

Points to note:

- Employees with at least 30 years service should receive an official retirement gift in recognition of their loyalty (see the [non-pay benefit guidance](#) available on this)
- HR Services will arrange for a personal letter of thanks from the Director General to be presented to employees who retire with at least 15 years FC service.
- Employees with at least 30 years service will also receive a Long Service Certificate.
- Employees with at least 25 years' service in the Civil Service and who are below pay band 5 grade may also be eligible for the Imperial Service Medal. Contact Corporate Services in Silvan House to nominate someone for this medal at least 3 months before their retirement date.

7. Handling a request for partial retirement

The steps required for handling a request for partial retirement are outlined below and are also illustrated in the flow diagram at figure 2.

7.1 Initial considerations



Partial retirement could involve re-planning workloads and considering resource requirements across the team, therefore consider how this may impact on other members of the team. If any other employee is requesting to work part-time, you could consider job-share arrangements. Whilst you, as the employee's line manager, may be supportive of the request for partial retirement, you should discuss it with your Unit Manager to gain their thoughts on the matter.



You have a responsibility to clearly communicate decisions on partial retirement requests and the reasons behind them.



Partial retirement shouldn't be used when someone is no longer able to cope with some of their duties. Whilst changing job content is an option when partial retirement is being considered, the driver in these circumstances is to help an employee make a gradual transition into retirement by maintaining employment in a reduced capacity as the individual adjusts to a new lifestyle. Partial retirement should not be done to allow an individual to avoid having to improve the skills or abilities that are judged not fully effective. We have to be fair and non-discriminatory to all our employees because the same provision for partial retirement would not be given to employees that are ineligible to take pension benefits, who are deemed to be under-performing.

7.2 Approving a request



Providing the request for partial retirement has line management approval, the formal application should be submitted to the Unit Manager. It should then be forwarded to HR Services who will arrange for the pensions administrator to arrange for pension benefits to be paid. HR will also issue a variance to the employee's terms and conditions to reflect the change.

7.3 Turning down a request



If you are unable to accommodate the individual's request for partial retirement you will need to clearly communicate the reason for your decision to them. Be aware that they can appeal your decision and your manager will need to hear the basis of their appeal. Should this occur, the employee is asked to submit their appeal in writing and your

manager should then invite them to a meeting, within a reasonable timescale, to discuss the grounds for the appeal. Once a decision has been reached, the employee should be informed in writing without delay.

8. Compulsory retirement

Compulsory retirement will still be possible if an employee is no longer able to undertake their role effectively. For example, if an employee is no longer fit to work due to ill health then a possible outcome may be compulsory retirement on medical grounds. Compulsory retirement will only be an option via a formal HR procedure, e.g. sick absence management. Further advice on the possibility of compulsory retirement can be provided from the HR Case Management team in Silvan House.

9. Flowcharts

Figure 1: Arranging Retirement from the FC

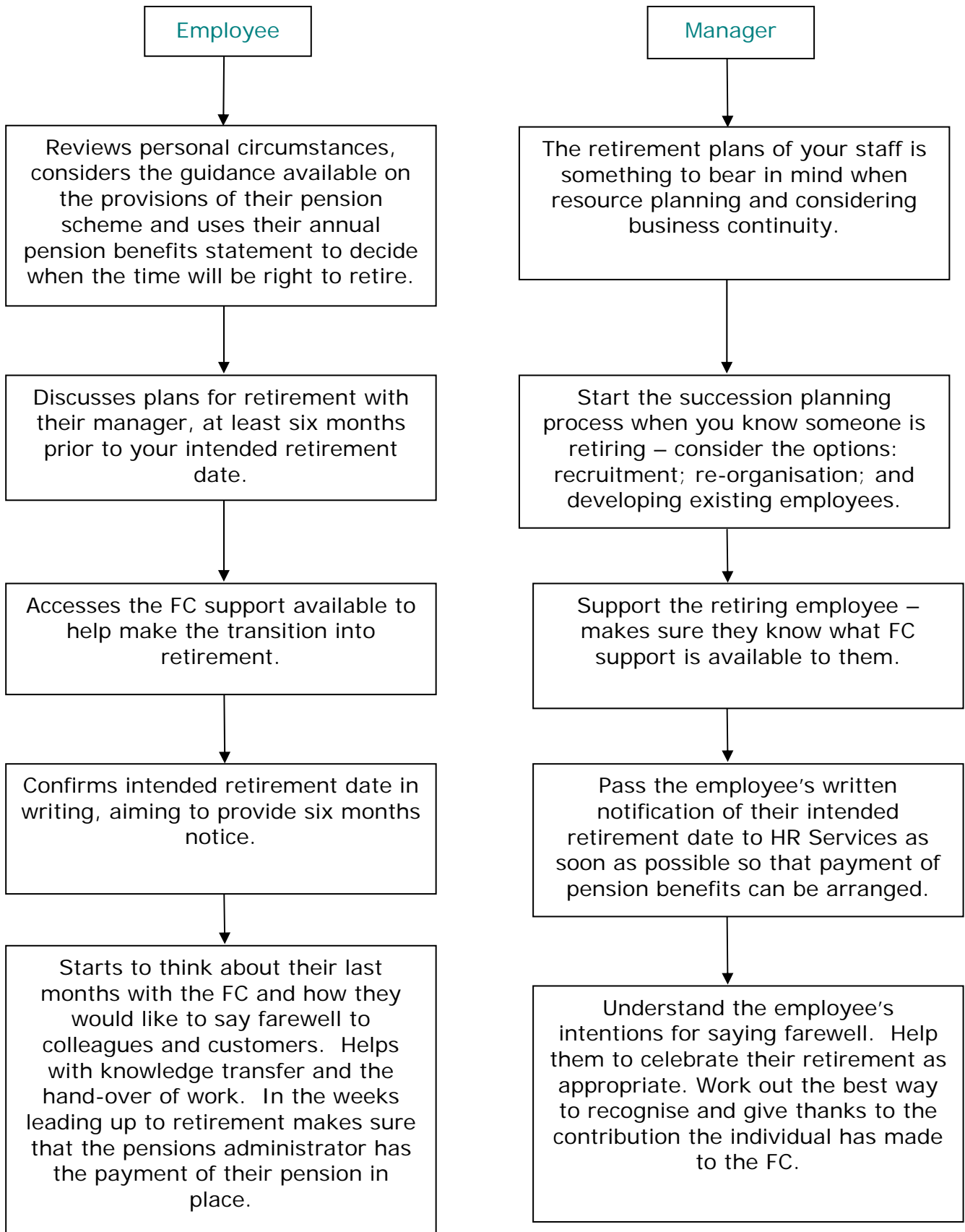


Figure 2: Arranging Partial Retirement

