

PHASED RETIREMENT ARRANGEMENT

Procedure 5.5.60

Policy No. and title	5.5	Conditions of Employment Policy
Procedure	5.5.60	Phased Retirement Arrangements
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OBJECTIVES

The purpose of this procedure is to provide a range of options for employees nearing retirement so that they may transition from full-time work to retirement.

1 Phased retirement arrangements (PRA)

Phased retirement options are a useful workforce planning and retention strategy. They enable managers to retain mature-aged employees who have significant talent, skills and experience and who may otherwise decide to leave the workplace sooner rather than later. It also provides employees with the capacity to better balance work and other life challenges.

2 What is phased retirement?

Phased retirement is a flexible working arrangement in which employees ease out of employment by way of reducing the number of hours worked, or by changing their responsibilities or employment arrangements. Phased retirement provides an incentive for employees to delay retirement and continue to contribute to the workforce.

The key difference between a formal phased retirement situation and the adoption of flexible working arrangements is that phased retirement is often for a pre-determined period prior to formal retirement. Phased retirement can also involve a step-down process in which employees plan to gradually reduce the number of hours or days they work.

3 Benefits of phased retirement

The primary benefit for **employees** of a phased retirement arrangement is the ability to remain in the workforce and earn an income, while increasing work life balance and the time available to pursue other lifestyle commitments and opportunities. Reasons for accessing phased retirement include, but are not limited to:

- Combining work and family responsibilities.
- Reducing the mental or physical demands of working full-time.
- Undertaking a mentoring role of another employee to pass on organisational knowledge and improve skills.
- Reducing work demands to promote health and wellbeing.

The primary benefit for **Council** providing phased retirement is the ability to retain skilled employees in the workforce for a longer period of time. Additional benefits to Council are:

- Retention of organisational skills and knowledge.
- Improved capacity for succession and workforce planning.
- Improved productivity and efficiency, continuity of service delivery.

- Better ability to respond to the ageing workforce and their needs.

4 Implementing phased retirement

The development of these procedures for phased retirement will assist in dealing with requests from employees for phased retirement. The procedure in relation to flexible working arrangement is implemented openly and fairly and is consistent. Any decisions made regarding the approval of phased retirement arrangements are to be documented in writing and a copy provided to the relevant employee.

Consideration should also be given to how the success of the phased retirement will be monitored and how the performance of each employee will be assessed. Employees in a phased retirement arrangement are still required to meet normal standards of performance relevant to their role.

The availability and suitability of various options for phased retirement arrangements are dependent upon the type of work an employee is undertaking, the needs of the department/business unit and the employee's circumstances. The following points need to be address when considering a request for phased retirement arrangements:

4.1 Eligibility Criteria

To be eligible to be considered for a phased retirement arrangement (PRA) employees must meet the following criteria:

- a) The employee is a permanent employee.
- b) The employee is aged 55 years or more.
- c) The employee's participation is voluntary.
- d) The employee's performance is strong with a demonstrated high level of cooperation and ability to work with management.
- e) The employee is prepared to formalise the terms and conditions of the PRA.
- f) The PRA will not prevent the employee from undertaking the inherent requirements of the employee's duties.
- g) The proposed arrangements meet the operational and business needs of Council.
- h) Parties to the PRA are the employee and their Manager and Director. Managers are required to consult with Human Resources prior to making a final decision on the request.

4.2 Phased Retirement Arrangement Options

Phased retirement may involve an employee seeking access to one or more of the following options:

- a) The employee works part-time/reduced hours or in a job sharing arrangement in their same role.
- b) The employee works full time, with additional purchased leave entitlements and other flexible working arrangements to allow time for other lifestyle commitments.

- c) The employee 'retires' from the organisation, however they could be re-engaged on a temporary (fixed term) arrangement after a brief period of retirement. With respect to this option, the employee must have been retired (involving the payment of all monies due and owing) for at least 1 month and no more than 2 years before they can be re-engaged. They can be employed on a contract basis only for a fixed term of no more than 3 years.
- d) Employees take up alternative job opportunities working either full-time and part-time. Alternative job opportunities could include:
 - Specific project work.
 - Taking on a training or mentoring role to pass on knowledge and skills to other employees.
 - Taking on a less onerous, stressful or labour intensive job.
 - Reducing workload and/or work responsibility, which may result in a corresponding reduction in pay.
- e) Retiring employees will be asked if they are interested in being placed on a relief list. The re-engagement of retired staff would not require an advertisement or recruitment process.

For more information on phased retirement options refer to *Appendix 1*.

4.3 Combining existing arrangements with PRA options

There are a number of existing flexible working arrangements available to employees that can be accessed to either complement a PRA or even provide an alternative to PRA. These existing arrangements are established through the Local Government (State) Award or Council procedures. These include:

- a) Use of flexible start and finish provisions and the option to change days to be worked.
- b) Leave without pay.
- c) Home based work.
- d) Carer's leave.
- e) Conversion to reduced hours, part-time work or job share arrangements.

4.4 Issues to consider when a request for PRA is submitted

Consideration should be given to workload management, including the reallocation of duties or a position redesign to accommodate the reduction in hours. This process may also require consultation with other employees in the department/business unit. Where consultation is required, the Manager should balance the needs of the employee making the request with those of their co-workers. The PRA must have identifiable and meaningful benefit to both Council and the employee.

4.5 Phased retirement agreements

Phased retirement arrangements need to satisfy the needs of both parties. A mutual written agreement on the conditions of phased retirement is to be prepared from information obtained from a completed Phased Retirement Application form. The key information to be included would be:

- Overall time frame for phased retirement. Commencement date and retirement date.
- The days and hours of work, and any relevant plans for further reductions in hours.
- The applicable salary Grade and Level.
- The performance management requirements and review procedures.
- Occupational health and safety requirements.
- An agreed position description for the responsibilities of the position.
- The procedure for the resolution of issues arising from the operation of the PRA.
- Access to rostered days off system is removed when employees access PRA option 1 (works part-time/reduced hours or in a job sharing arrangement in their same role).
- Hours worked during a PRA must be accurately recorded by employee on a weekly timesheet and submitted for approval to Supervisor/Manager.
- The employee needs to be fit for the duties to be performed. If an employee or retired employee being re-engaged will be taking on duties that place very different demands on them and/or they have been retired for 12 months or more, it is necessary for the retired employee to undertake an employment medical before the placement commences.

The implementation of phased retirement options in the workplace requires an understanding of the types of flexible work arrangements available to employees and any specific conditions that apply under the Award.

Having the support of all levels of management in the workplace is a key factor in successfully introducing work/life balance initiatives. Understanding the needs of employees and how these can be accommodated without detriment to the operational requirements of Council requires commitment and open communication between managers and employees.

4.6 Process for changing PRA

- a) Requests by either party to vary the PRA will be subject to the reasonable consideration of the circumstances that gave rise to the request.
- b) The PRA may be varied at any stage in consideration of operational factors following consultation with the employee and the employee's immediate supervisor.
- c) Both parties must give at least one month's written notice of the intention to vary or terminate the PRA.

4.7 Financial and Superannuation implications of PRA

Employees are strongly encouraged to consider the impact of any proposed change in their work arrangements on their financial and superannuation circumstances.

Human resources staff and managers/supervisors are to recommend to employees to seek independent professional financial and superannuation advice before considering a phased retirement arrangement.

VARIATION

Council reserves the right to renew, vary or revoke this procedure which will be reviewed periodically to ensure it is relevant and appropriate.

PHASED RETIREMENT OPTIONS			
Have you considered:	Yes	No	Comments
Working arrangements			
Flexible or set working hours:			
• flexible working hours- varying the start and finish time each day			
• flexible working days – varying which days are worked each week			
• set working days – setting which days are worked each week			
• flexible rosters- changing shifts or be consulted in the setting of rosters			
• fixed rosters- working the same agreed pattern of shifts each week			
Part-time work:			
• part-time work – reducing the hours and /or days work each week			
• job sharing- two people sharing the one role, with each working part-time OR two people sharing a single full-time equivalent role but each having a discrete part-time role			
• job sharing/mentoring – a mature age employee mentors a less experienced employee in the same role, in a job sharing arrangement, possibly covering each other's leave			
• graduated reduction of hours of work over an agreed period of time (months or years)			
Using leave to reduce working hours:			
• accessing one or more days of accrued annual or long service leave each week to work a shorter week without a reduction in pay			
• entering into a purchased leave arrangement to purchase additional leave at a reduced average annual rate of pay			
• Accessing annual or long service leave at half pay for double the period to increase the duration of leave available			
• part-year work- using purchased leave or leave without pay (LWOP is only available provided all other leave credits are exhausted) to work for part of the year, for example working for 6 months and having 6 month off, or working for 8 and having 4 off.			
Flexible modes of employment:			
• home based work – the capacity to do some work from home			
Alternative job opportunities:			
• a similar role in a different unit/department			
• a sideways move to a different role and or different unit			
• Voluntary regression to a lower classified role, for example, stepping down from a supervisory/team leader role to an operational role (to enable a mature age employee to step down with dignity, consideration should be given to establishing a mentoring arrangement with less experienced staff.			
• training or mentoring roles to facilitate succession planning and to pass on valuable knowledge and skills			
• Project or relief work as needed after retirement			

Phased Retirement Arrangements Application

Employee Name:		Employee No:	
Department:		Business Unit:	
Current Position:		Position No:	
Name of Reviewing Manager			

Which of the following options would assist you to balance your personal and work life?

- Reduce the number of hours I work each day
- Reduce the number of days I work each week
- Work compressed hours (more hours over few shifts on a regular basis)
- Reconfigure my part-time hours (includes reducing, maintaining or increasing total hours worked)
- Change my rostered shifts
- Reduce my overall workload/responsibilities
- Job-share with someone (If you have a job-share partner in mind, please give details below)
- Take accrued leave entitlements- annual leave, long service
- Step down from a managerial or supervisory role to another role, to mentor/train other staff
- Purchase additional leave
- Work from home
- Another flexible working arrangement not listed here (please give details below)

I am requesting a:

Permanent change in my working arrangements

Temporary change in my working arrangements

Details of my request for flexible work arrangements (be specific):

I would like to commence these arrangements as from.....

I expect to fully retire from Council on

If this request is approved, I will meet my obligations, for example, covering my workload, supervisory responsibilities, attending meetings, participating in working groups, training or mentoring less experienced staff and the like by:

I have sought professional independent advice as to how this request might impact on my pay, taxation, superannuation, leave provisions and other entitlements.

Yes

No

No impact anticipated

I understand that any changes to work practices may necessitate a change of employment conditions e.g. Salary Grade and level, gross income due to reduced hours.

Yes

No

No impact anticipated

When this request is processed, I would like the following circumstances to be taken into consideration:

(E.g. caring for family members; health and wellbeing issues)

I agree that if approved, my manager has the right to request for me to change to another working arrangement, even if temporarily, to meet special conditions or unforeseen circumstances.

Proposed by (employee name)

Signature

Date

Manager Response – Request Denied

6 This request has been denied:

Yes No

6.1 Reasons for denying this request

[Empty text box for reasons for denying the request]

6.2 Outcome discussed with employee on: (Date)

6.3 Copy given to employee on: (Date)

Reviewing Manager: (print name) (signature) (date)
Director: (print name) (signature) (date)