

POLICY:-	
Policy Title:	Phased Retirement Policy
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PROCEDURES/GUIDELINES:-	
Date procedure/guideline was developed:	
Procedure/guideline reference number:	

RESPONSIBILITY:-	
Draft Policy developed by:	MANEX
Committee/s (if any) consulted in the development of this Policy:	Consultative Committee
Responsibility for implementation:	General Manager
Responsibility for review of Policy:	HR Coordinator

Introduction:

As the Australian population ages, growth in the number of people of working age will slow, while the proportion of people of retirement age will increase. Sustained population ageing will lead to a decrease in labour supply. As a result, organisations need to take actions to address these issues.

The needs and attitudes of the workforce are changing. In the past, people simply made the decision to end their working careers by retiring. Today it is more common for people to wish to scale down their working careers and gradually transition into retirement. It is clear that it is in the best interest of Council to support staff in doing this in an effort to retain vital skills and knowledge.

Purpose of Policy:

In recognition of the ageing workforce in local government and the need to retain skills and experience within the industry, employers are encouraged to develop and promote flexible work and leave arrangements to enable their employees to better manage their transition into retirement.

The purpose of this policy is to provide a range of options for employees nearing retirement so that they may transition from full-time work to retirement without difficulty.

Council will also benefit from these options as it will enable them to better manage knowledge and skill transfers through succession planning, mentoring and workforce renewal. It will also assist in improving the retention of mature aged employees with key skills and knowledge gained over a longer term.

Phased retirement (PR) options may deliver a number of key benefits to mature aged employees and Council including:-

- Improved skill and knowledge retention;
- Improved productivity and efficiency;
- Improved capacity for succession planning and workforce planning for renewal;
- Improved continuity of service delivery;
- Improved work/life balance leading to retirement.

This policy will address the following:-

1. Criteria to be eligible to apply for a PR arrangement;
2. PR Options;
3. Combining existing arrangements with PR Options;
4. Issues to consider when a request for PR is submitted;
5. Impact on PR arrangements on Superannuation and financial planning;
6. This policy also includes an application form as Attachment 1.

1. Eligibility criteria

To be eligible to be considered for a Phased Retirement (PR) option employees must meet all of the following criteria:

- The employee is a permanent full time employee (working 35/38 hour per week);
- The employee would like to continue to work and has reached their [preservation age](#);
- The employee has attained a satisfactory Annual Performance Review for three consecutive years, preceding the application for PR;
- The employee's participation is voluntary;
- The employee is prepared to formalise the terms and conditions of the PR arrangement;
- The PR arrangement will not prevent the employee from undertaking the inherent requirements of position duties;
- The proposed arrangements meet the operational and business needs of the Council.
- The employee must provide the employer with their retirement date.

Parties to the PR arrangement are the employee and their Departmental Director and the Council General Manager.

2. Phased Retirement Options

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

- Provision to work flexible work and leave arrangements, including:
 - Part-time work;
 - Leave without pay;
 - Job sharing arrangements;
 - Variations to ordinary hours and rosters;
 - Job redesign.
- For a maximum period of up to 3 years.
- PR enables eligible employees to apply to reduce their ordinary hours of work leading to their eventual retirement.
- The terms of a flexible work and leave arrangements shall be in writing and may be varied from time to time, by agreement, to suit the specific needs of either the

employer or the employee, *as per clause 23(iii) from the Local Government Award State 2017.*

3. Combining existing arrangements with Phased Retirement Options

There are a number of existing provisions established through the Local Government State Award or Council policy, which employees can access to either complement a PR arrangement or even provide an alternative to PR. Existing provisions include:

- Part-time work;
- Leave without pay;
- Job sharing arrangements;
- Variations to ordinary hours and rosters;
- Job redesign.

4. Issues to consider when a request for PR is submitted

Due consideration should be given to workload management, including the re-allocation of duties or position re-design to accommodate the reduction in hours. This process may also require consultation with other employees. Where consultation is required, the Departmental Director should balance the needs of the employee making the request with those of their co-workers. The PR arrangement must have identifiable and meaningful benefit to both Council and the employee.

PR arrangements need to satisfy the needs of both parties. Once agreed, the terms and conditions of the PR arrangement are to be formalised by the completion of a Phased Retirement application form that includes the following:-

- The commencement date and retirement date
- The hours of work and work pattern applicable during the relevant phase of the PR arrangement
- The applicable band, level and grade and salary
- The applicable performance management arrangements
- The procedure for the resolution of issues arising from the operation of the PR arrangement

An agreed Position Description will also be attached to the form.

The PR arrangement may be varied at any stage in consideration of operational factors following consultation with the employee and the employee's Departmental Director.

Both parties must give at least one month's notice of the intention to vary or terminate the PR arrangement.

Hours worked during a PR arrangement must be accurately recorded on a fortnightly timesheet and submitted for approval by the employee to the Departmental Manager.

5. Impact of PR arrangements on Superannuation and Financial Planning

Employees are strongly encouraged to consider the impact of any proposed change in their work arrangements on their superannuation benefits and financial circumstances. To that end, employees are required to seek independent advice on superannuation and financial planning.

REFERENCE DOCUMENTS:

Relevant Legislation and Related Council Policies and Procedures:

The following Legislation and Council Policy documents affect the operation of this Plan:-

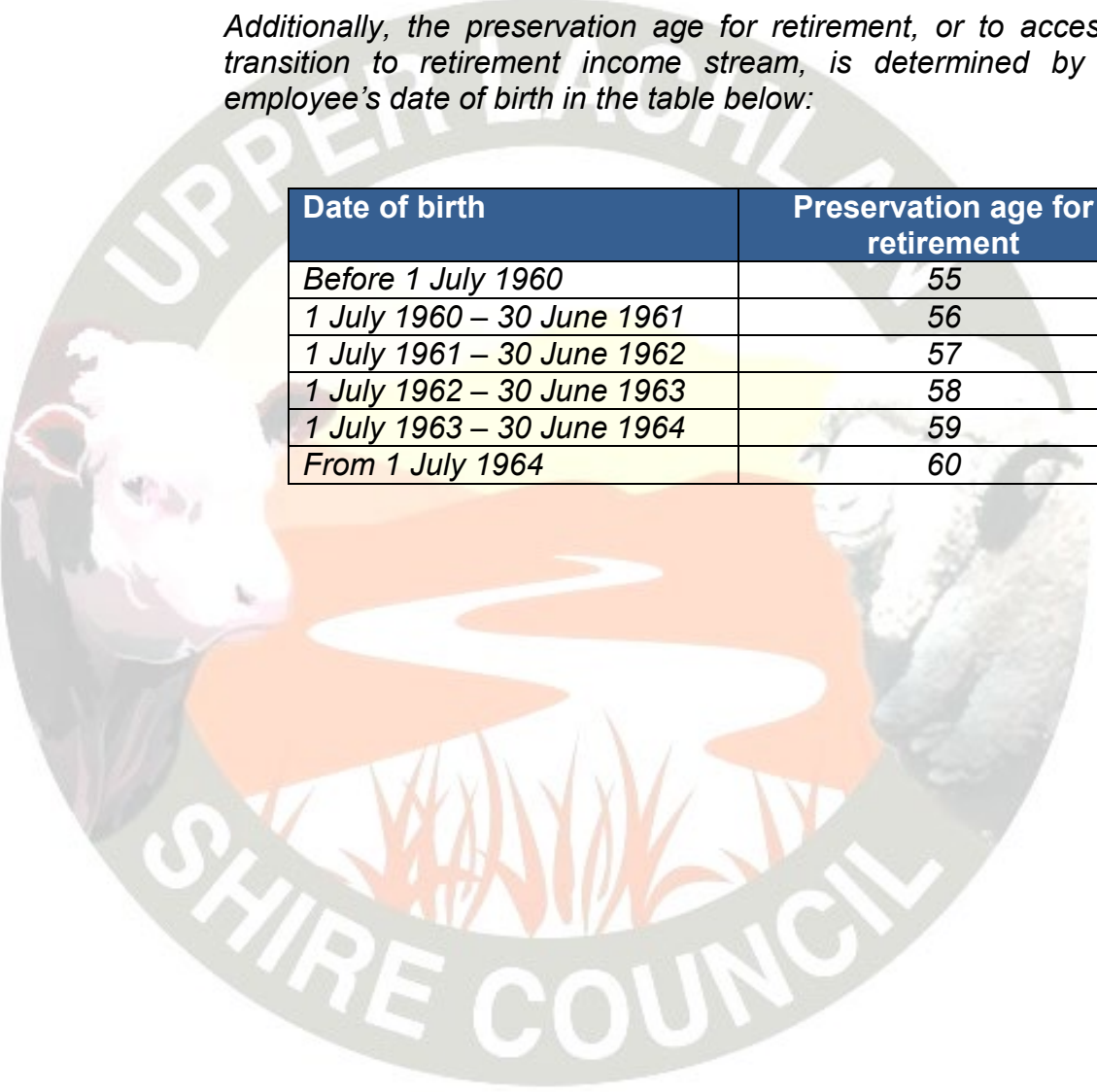
- Local Government Act 1993;
- Local Government (General) Regulations 2005;
- Local Government (State) Award 2017;
- Work Health and Safety Act 2011 and Regulations;
- Privacy and Personal Information Protection Act 1998;
- NSW State Records Act 1998;
- Complaints Management Policy;
- Grievance Policy;
- Disciplinary Policy;
- Harassment Policy;
- Alcohol and Other Drugs Policy;
- Rehabilitation Procedure and Practice Policy;
- Manual Handling Policy;
- Employee Assistance Program (EAP) Policy;
- Trauma Management Policy;
- First Aid Policy;
- Work Health and Safety Policy;
- Injury Incident Management Procedures;
- Protective Clothing and Equipment Policy;
- Sun Protection - Council Employees Policy;
- Volunteers Policy;
- Fair Work Act 2009;
- EEO Act 1987;
- Anti-Discrimination Act 1977;
- Government Information (Public Access) Act 2009 (GIPA);
- GIPA Policy;
- Code of Conduct;
- Codes of Business Practice;
- EEO Management Plan;
- Performance and Misconduct Policy;
- Second Employment Policy;
- Service Delivery Policy;
- Time in Lieu of Overtime Policy;
- Staff Training Policy;
- Digital Information Security Policy; and
- [Australian Taxation Office – preservation age and accessing superannuation.](#)

Glossary

Preservation Age *means the age of which the employee is eligible to access their superannuation, if they are retired. Individual preservation ages are dependent on the employees' date of birth, it is not the same as the employees' pension age.*

The preservation age for employees who are still working, as at 1 July 2018, is age 65.

Additionally, the preservation age for retirement, or to access a transition to retirement income stream, is determined by the employee's date of birth in the table below:



Date of birth	Preservation age for retirement
<i>Before 1 July 1960</i>	<i>55</i>
<i>1 July 1960 – 30 June 1961</i>	<i>56</i>
<i>1 July 1961 – 30 June 1962</i>	<i>57</i>
<i>1 July 1962 – 30 June 1963</i>	<i>58</i>
<i>1 July 1963 – 30 June 1964</i>	<i>59</i>
<i>From 1 July 1964</i>	<i>60</i>

Upper Lachlan Shire Council

Application for Phased Retirement

Details for existing staff member	
Employee's name:	
Position Title:	
Department:	
Current Band/Level/Grade:	
Manager's Name:	
Position Title:	
Date of Retirement:	
Commencement date:	
End date:	
Total fortnightly hours to be worked:	
Pattern of work: i.e. days/hours to be worked	
Other comments/details:	
Additional documentation attached?	<p style="text-align: center;">Please circle appropriate response</p> <p style="text-align: center;">Yes / No</p>

Employee's responsibility regarding superannuation and financial advice

In requesting this PR arrangement I have sought advice about the impact this arrangement will have on my salary and on my superannuation and I understand its effect on my employment and finances.

Performance Management

The employee and Supervisor/Manager will participate in Council's Employee Performance Review on an annual basis and abiding by Council's existing [Performance and Misconduct Policy](#).

Variation or termination of the PR arrangement

The terms of a flexible work and leave arrangements shall be in writing and may be varied from time to time, by agreement, to suit the specific needs of either the employer or the employee.

Leave

Unless otherwise provided by an Award or an Agreement employees working part-time are entitled to relevant leave entitlements on a pro-rata basis. The employee is only entitled to paid public holidays that occur on their usual working days.

Resolution of issues and grievances

Issues and grievances arising from the operation of the PR arrangement will in the first instance be dealt through discussion between the employee and their Departmental Director. If the issue cannot be resolved Council's Grievance Policy is to be followed.

Employee's Signature:

Date:

Recommendations/Approvals		
Supervisor's Comments/details:		
Manager's Comments/details: Please provide details of workload management and consultation undertaken with co-workers.		
Recommendation by Departmental Director:	<input type="checkbox"/> Application supported	<input type="checkbox"/> Application not supported
Is a medical check required?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If so, has a medical check been completed?	<input type="checkbox"/> Yes	Date medical undertaken:
Advice provided to Human Resources Coordinator	<input type="checkbox"/> Yes	
General Manager Signature: Date: 	<input type="checkbox"/> Application approved	<input type="checkbox"/> Application declined