



TEMPLATE DOCUMENT: Retirement policy

Introduction:

There is no longer a statutory default retirement age and employees may “retire” at an age of their choosing, unless you operate an “Employer Justified Retirement Age” (EJRA) (this is rare and normally restricted to particular roles). This policy therefore aims to set out how you will manage the process of retirement.

Legal considerations:

The following pieces of legislation apply to this policy:

- Equality Act 2010
- Employment Equality (Repeal of Retirement Age) Regulations 2011.

How to generate your policy:

Throughout the policy, you will see icons and highlighted areas (see key below). The icons used are for guidance on how to amend the document and should be deleted from the final document, together with any non-applicable optional clauses.

Key:

INFORMATION	ACTION	OPTIONAL	WARNING
This icon demonstrates the text is for information only.	This icon means you need to make an amendment to the text.	This icon means the advice provided is optional.	This icon means the text is important. Please take note of the advice.

Any text you find highlighted should be amended to **suit your customisations** and/or removed from the document.

Customising your policy:

In addition to the text emphasised with icons and highlights, you can also amend the font, margins and footer information to suit your needs.

All fonts used throughout the document are set in the Styles panel (under the Home Tab in Word 2007+). To change the font settings, right click on the style and click *Modify*. Make the appropriate changes and click OK. Your document will automatically update wherever that style is used.

Retirement policy

To remove the icons, click on them and press delete.

You will find a checklist of customisations at the end of the document. Please run through this once you have completed your customisations. You will also need to **delete this page by clicking Insert -> Cover Page -> Remove Current Cover Page. You should delete this prior to updating your table of contents, to ensure that the page references are all correct.**

Retirement policy

Contents

1	Purpose.....	3
2	Scope.....	3
3	Retirement age.....	3
4	Pre-retirement planning.....	3
5	Pre-retirement training.....	4
6	Retirement procedure	4
7	Enhanced benefits.....	4
8	Reduced hours prior to retirement	4
9	Handover.....	5
10	Retirement parties and leaving gifts	5
11	Post retirement	5
12	Related policies and documents	5
13	Further information.....	6
14	Policy owner	6
15	Policy review date	6

1 Purpose

1.1 Retirement is a time of major change for employees and we recognise that the timely provision of appropriate advice and information, combined with proper planning, can assist employees to embrace this change.

1.2 This policy aims to encourage open discussion with our employees about their retirement plans, and to ensure that retirement is managed fairly and consistently within our business.

<Optional:> We also aim to encourage early pension planning to assist employees with their long-term financial situation.

<We advise that you make all your policies non-contractual to minimise the risk of a breach of contract claim, and also to enable ease of updating.>

1.3 This policy is not contractual, but outlines the way in which we aim to manage the retirement process.

2 Scope

2.1 **<Tailor to suit the range of workers in your business:>** This policy covers all employees, other than those on fixed-term or temporary contracts, or casual workers.

3 Retirement age

3.1 We have no fixed retirement age and all employees may continue working beyond State Pension Age, subject to their continued ability to do so effectively.

3.2 Employees may choose to retire at any time and we encourage them to discuss any thoughts or queries they may have about retirement with us at any stage so that we can all plan for this more effectively.

3.3 A retirement is effectively a resignation, and employees intending to retire are therefore required to give notice in accordance with their **<specify, either "statement of terms and conditions"/"contract of employment">**.

<The section below is entirely optional and may be removed if not wanted.>

4 Pre-retirement planning

4.1 Managers should be aware that financial advice, including pensions advice, should only be given to employees by those appropriately qualified and registered to do so.

4.2 Around ten years before the age at which the state pension would normally become payable, employees will be offered a meeting with an independent financial advisor to discuss their pension arrangements and the likely level of benefits, thus enabling them to plan accordingly. We will meet the cost of this advice.

Retirement policy

- 4.3 Pre-retirement plans may also be raised at annual appraisals to give the employee the opportunity to discuss such matters well ahead of time.

<The section below is entirely optional and may be removed if not wanted.>



5 Pre-retirement training

- 5.1 At some stage during the two-year period before the state pension would normally become payable, the employee and his/her partner will be invited to attend a pre-retirement course. This may be either an in-house or an externally sourced seminar.
- 5.2 In addition, paid time off to take advice from an independent financial advisor will be granted.

6 Retirement procedure

- 6.1 Employees who are considering retiring are encouraged to openly discuss their plans for retirement (their performance review meeting may be an ideal opportunity for this); their retirement benefits; and any wish to amend or reduce their working hours or to undertake different job duties prior to retirement. Once an employee indicates to us that they are considering retirement, further details will be provided, including a detailed breakdown of any pension payments and arrangements for claiming this and other benefits.



- 6.2 <Only to be used by those with company pension schemes:> In the case of retirement through ill-health, employees should be aware that drawing a pension early is at the discretion of the Trustees.



<The section below is entirely optional and may be removed if not wanted.>

7 Enhanced benefits

- 7.1 To assist with future planning, we may decide to provide enhanced benefits (such as additional annual leave or additional payments in the final year of employment) to <specify whom, eg "senior managers and staff with key skills"> in return for a longer period of notice of retirement (eg a year). This arrangement will be mutually agreed and will benefit both parties, as the extra notice will assist with succession planning.



<Note: all employees with at least 26 weeks' service may request (but not insist on) flexible working, including reduced hours.>

8 Reduced hours prior to retirement

- 8.1 Should any employee wish to prepare for retirement by gradually reducing their working hours, we will consider this, subject to the needs of the business.
- 8.2 Careful consideration should be given to any request to reduce working hours, as this will result in a pro-rata reduction in pay and benefits and may therefore impact on the employee's pension. The implications will be fully discussed with the employee prior to any decision being made.

Retirement policy

8.3 Where reduced hours are requested, the employee should also consider the impact on the business and how this could be accommodated.

8.4 Reduced hours may be agreed at any time prior to retirement. A review will be held towards the end of this period to establish whether the employee still wishes to retire at the expected date.

9 Handover

9.1 Where it has been possible to identify a successor prior to the retirement, a suitable handover will be organised to retain the experience and knowledge gained by the postholder during their service with us.

10 Retirement parties and leaving gifts

10.1 Retirement parties will be organised by <specify whom, eg "the HR team">. We will contribute up to a maximum figure of <specify amount, eg "£100"> towards a retirement party for an employee with more than <specify eg "one year's"> service.

10.2 In addition, we will present the employee with a leaving gift of his/her choice up to a cost price of <specify eg "£200">.

10.3 Collections and leaving cards for staff who are retiring may be organised within the employee's own department but any collections should conform to our normal rules on staff collections.

11 Post retirement

11.1 Employees who retire from our employment will be entitled to the following: <tailor to suit, eg:>

- continued staff discounts or the ability to buy products at a reduced price
- continued inclusion on the mailing list for the staff newsletter
- continued use of any catering or sporting facilities
- social events, for retired staff, especially at Christmas but also summer outings and get togethers
- access to a database enabling staff to contact other retired colleagues who wish to remain in touch
- provision of Christmas hamper
- welfare visits to retired employees or provision of counselling or telephone helpline.

12 Related policies and documents

<Tailor your list as appropriate to the policies and documents in place within your business – the list below contains only suggestions:>

- Equal opportunity policy
- Diversity policy
- Flexible working policy
- Flexible working request form

The above list is not exhaustive.

13 Further information



Any queries or comments about this policy should be addressed to **<specify whom>**.

14 Policy owner



This policy is owned and maintained by **<specify whom eg "the Managing Director">**.

15 Policy review date



Date last reviewed: **/ /**

Checklist

Upon completion of customisations please ensure you have:

- ✓ customised all relevant text and removed pink highlighted text
- ✓ removed all icons
- ✓ removed the front cover (see instructions on front cover)
- ✓ updated the Table of Contents at the front of the document (highlight the ToC and press F9 or right click and update entire table)
- ✓ diarised a reminder to review and update the policy
- ✓ removed this checklist!