

	<h1 style="text-align: center;">Cloncurry Shire Council</h1>	<p style="text-align: center;">POLICY NO.</p> <p style="text-align: center;">CS 0019</p>
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PHASED RETIREMENT POLICY

1. Background and Context

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.

2. Scope

This policy will address the following:-

- Criteria to be eligible to apply for a Phased Retirement (PR) arrangement;
- PR options;
- Issues to consider when a request for PR is submitted; and
- Impact on PR arrangements on Superannuation and financial planning.

3. Objectives

Council recognises that Employees who are contemplating retirement may want the option to transition from the organisation on a gradual basis rather than exit in a one step process.

Transitioning for retirement minimises the impact on both parties and promotes workforce planning and information sharing.

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 the organisation 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.

4. Definitions

In this policy:

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
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
From 1 July 1964	60

5. Roles and Responsibilities

The CEO is responsible for the approval of all PR agreements in consultation with the relevant Departmental Director.

6. Policy

6.1 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 employee;
- 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; and
- The employee must provide the employer with their retirement date.

6.2 Phased Retirement Options

Phased retirement may involve an employee seeking access to one or more of the following options for a maximum period of up to 3 years leading to their eventual retirement:

- Provision to work flexible work and leave arrangements, including:
 - Flexibility to reduce or change hours/days of work;
 - Part-time work;
 - Flexibility with requests for extended leave
 - Leave without pay;
 - Variations to ordinary hours and rosters;
- Job redesign;
- Job sharing arrangements;
- Appointment where possible in a position with reduced duties and responsibilities and possibly at a lower salary level; or
- Other arrangements as negotiated.

6.3 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 any 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, and the needs of Council. 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 salary level.
- 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 terms of a flexible work and leave arrangement 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 or in consideration of operational factors. Both parties must give at least one month's notice of the intention to vary or terminate the PR arrangement, unless otherwise agreed.

6.4 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.

7. Accountability and Reporting

Council must maintain an accurate record of all current PR arrangements.

References and Related Documents:

Cloncurry Shire Council - Phased Retirement Application form.

REFERENCE DOCUMENTS:

Relevant Legislation and Related Council Policies and Procedures:

Local Government Act 2009

Local Government Regulations 2012

Cloncurry Shire Council Certified Agreement 2019 - 2022

Adopted by Council Resolution

POLICY VERSION AND REVISION INFORMATION

Version No.	Resolution	Date Adopted	Review Date
1	30.230221	21.02.2023	February 2024

Policy Authorised by: Philip Keirle



Title: Chief Executive Officer