**RETIREMENT POLICY**

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| **DOCUMENT DETAILS** | | | | |
| **Document Name:** | Retirement Policy | **Document No:** | |  |
| **Department Name:** | Human Resources | **Document Type:** | | Policy |
| **UPDATE DETAILS** | | | | |
| **Last Updated:** |  | **Updated By:** |  | |
| **Effective Date:** |  | **Approved By:** |  | |
| **Approval Date:** |  | **Approved By:** |  | |
| **Revision Date:** |  | **Approved By:** |  | |

**PURPOSE:**

The purpose of this policy is to establish the normal age of retirement and the principles for a fair and consistent assessment of applications for extension beyond retirement.

**SCOPE:**

This policy applies to all employees of the Company.

**RESPONSIBLE PERSONS:**

1. Human Resources Manager - Implementation and facilitation.
2. Human Resources/Line Managers - Administration, monitoring and

enforcement of this policy.

1. Employees - Adherence to this policy and

procedures outlined in this policy.

**POLICY:**

**1. INTRODUCTION**

Section 187(2)(b) of the Labour Relations Act 66 of 1995 provides that: ‘a dismissal based on age is fair if the employee has reached normal or agreed retirement age for persons employed in that capacity. An organisation may therefore determine a normal or agreed retirement age.

The Company has adopted the normal retirement age of 65 years but recognises the need to retain certain exceptional, highly skilled and productive staff, particularly those in scarce skill disciplines, beyond the age of 65. It accordingly permits extensions beyond retirement subject to the rules of the relevant retirement funds.

**2. PRINCIPLES**

2.1. Staff who are retiring shall be given at least one year’s notice, of the decision to grant extension beyond retirement or not, in order to facilitate planning.

2.2. There shall be fairness, consistency and transparency in the criteria and procedures for granting extensions beyond retirement.

2.3. All assessment panels or committees shall provide detailed reasons for recommendations or decisions.

2.4. Applicants for extension beyond retirement shall be treated with sensitivity but no extension beyond retirement shall be granted purely on compassionate grounds.

2.5. Except in exceptional circumstances, staff members beyond normal retirement age shall not occupy temporary leadership roles such. This is to ensure capacity building, equal opportunity and transformation.

2.6. All applications for extension beyond retirement shall be considered by a duly

appointed sub-committee of the Staffing Committee of the Company, which shall make the final decision.

2.7. There shall be no appeals with respect to the decision of the Retirement Sub-Committee of Staffing Committee.

2.8. Reviews shall be based solely on procedural irregularity.

**3. POLICY PROVISIONS**

**3.1 Normal Retirement**

3.1.1. The Company values the contributions made by all staff regardless of age. It nevertheless recognises that some level of staff turnover is essential in order to introduce new skills and approaches or to re-focus activities that impact on the success of the Company. Staff turnover is also imperative if the Company is to achieve its transformation goals.

The normal age of retirement for all staff shall accordingly be 65 years of age and shall take effect at the end of the year in which the staff member reaches the age of 65 years.

3.1.2. Staff may elect to retire at the end of the month in which they reach 65 years.

**3.2 Early Retirement**

Subject to the rules of the relevant retirement fund, staff at the age of fifty five years and older may apply to retire before their normal retirement age.

**3.3 Extensions beyond Normal Retirement Age**

The Company recognises the need to retain certain exceptional, highly skilled and productive staff beyond the normal age of retirement. Accordingly, the Company may, subject to the rules of applicable retirement fund, grant an extension beyond normal retirement to a staff member who has reached normal retirement age, for a period of up to three years, in the first instance, with the possibility of a further extension for up to two years.

Notwithstanding the period of extension granted, a staff member on extension beyond normal retirement age must meet or exceed the expectations for their post in the annual performance assessment process. Should their performance fall below expectation in any year of assessment, their contract may be terminated. Extensions beyond retirement shall not be automatic and shall depend on:

3.3.1. Assessment of options for filling the post

Prior to assessing a potential retiree for an extension beyond retirement, the relevant senior managers shall consider:

3.3.1.1 the strategic, operational and or academic priorities of the Business Unit to determine if resources should be allocated to the post;

3.3.1.2 the need to use the post to enhance transformation, in terms of achieving employment equity goals of the Business Unit;

3.3.1.3 the likelihood of filling the post taking into account any specialised skills required for the post as well as likely availability of a replacement given prevailing market trends. If after assessing options for the post, it is confirmed that an extension beyond retirement is possible, the staff member shall have to be assessed in terms of criteria contained in 6.3.2 below.

3.3.2. Assessment of staff member

3.3.2.1   Minimum Requirements:

a sustained high level of performance by the staff member. This assessment shall be based largely on the annual performance reviews of the staff member once the Performance Management system has been implemented. In addition to the minimum criteria the incumbent must meet at least three of the following requirements.

Possession of specialised or scarce skills and qualifications that is difficult to replace through normal recruitment due to prevailing market factors.

Key level of involvement in a major project where continuity is imperative for success.

High ongoing productivity.

Proven record in terms of income generation.

Evidence of continuing professional development and adaptability to new trends and developments in his/her field.

3.3.3. Duration of Extension

The duration of the extension shall be determined taking into account:

3.3.3.1 major projects in which the employee has a key role and where continuity is essential;

3.3.3.2 the duration of an approved succession plan.

The maximum duration of the first extension beyond retirement is three years. Thereafter a new application is made for a further period of up to two years.

3.3.4. Terms of Appointment

3.3.4.1. Remuneration

Where there is no change in the workload and level of responsibility, the staff member shall retain his/her salary as at normal retirement date and shall remain on pensionable service subject to rules of the relevant retirement fund.

**EMPLOYEE POLICY CONFIRMATION:**

***I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (employee name and surname), declare that;***

1. Ihave been familiarised with and informed of the Retirement Policy.
2. I understand and agree to the contents of this policy and that;

* it may be amended from time to time,
* it forms part of my employment conditions,
* the implementation and contents of this policy are mutually agreed upon with the employer,
* I have been given the opportunity to question this policy and that my questions were satisfactorily answered

1. I agree to strictly adhere to this policy.

Signed at \_\_\_\_\_\_\_\_\_\_\_\_ (place) on the \_\_\_\_\_\_\_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [YEAR].

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Signature Employee

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Signature Manager