



## Report to:

Northwards Housing Board  
14<sup>th</sup> November 2006

## Item No:

# 13d

<b>Title:</b>	Retirement Policy		
<b>Date:</b>	1 <sup>st</sup> November 2006		
<b>Author:</b>	David Preston	<b>Tel No:</b>	0161 227 3059
<b>E mail:</b>	<a href="mailto:d.preston@northwardshousing.co.uk">d.preston@northwardshousing.co.uk</a>		
<b>Confidential:</b>	No		
<b>For:</b> (Please tick action required)	<b>NOTING</b>	<b>DISCUSSION</b>	<b>APPROVAL</b> ✓

### PURPOSE OF REPORT

The purpose of this report is to ensure that Northwards complies with the new Age Legislation which came into effect on 1<sup>st</sup> October 2006 and acknowledge that employees at Northwards can extend their continuous employment beyond the normal retirement age.

### RECOMMENDATION

The Board are asked to approve this policy following its discussion and approval at HR & Equality Sub-Committee.

### IMPLICATIONS

<b>Equality &amp; Diversity:</b>	Ensure that older employees are treated fairly within Northwards and that opportunities for all employees are fair and consistent.
<b>Financial:</b>	There would be no additional cost as the organisation maintains staff costings, but will reduce recruitment costs across the business. Northwards will retain key skills and employees, and ultimately minimise recruitment costs.
<b>Staffing:</b>	Aids staff retention, enhances opportunities across the organisation and ensures that Northwards is a caring employer.
<b>Decency Target:</b>	None directly
<b>Governance:</b>	A Retirement Policy is essential for good governance
<b>Risk Assessment:</b>	Not a primary risk area

### Equality & Diversity Implications (Please tick where relevant):

BME	<input checked="" type="checkbox"/>	Lesbian/Gay/Bisexual/Transgender	<input checked="" type="checkbox"/>
Elderly	<input checked="" type="checkbox"/>	Single Parents	<input checked="" type="checkbox"/>
Young	<input checked="" type="checkbox"/>	Domestic Violence	<input checked="" type="checkbox"/>
Disability	<input checked="" type="checkbox"/>	Alcohol / Drug Mis-users	<input checked="" type="checkbox"/>

**Consultation/Consideration:**

	<b>Yes, No or N/A:</b>	<b>Name:</b>	<b>Date:</b>
<b>Sub-Committee:</b>	Yes	HR & Equality Sub-Committee	24 <sup>th</sup> October 2006
<b>Area Panel:</b>	No		
<b>Task Groups:</b>	No		
<b>Ward Councillors:</b>	N/A		

## **RETIREMENT POLICY**

### **1. Introduction**

Throughout the UK we are living longer and leading healthier lives. Many older people enjoy the social and financial benefits of working and don't wish to retire at 60 or 65. As part of the age discrimination laws, new retirement procedures are being introduced. The procedures will enable a constructive dialogue between Northwards Housing and employees who want to continue working after normal retirement age. It will also allow Northwards and employees to benefit from a longer notice of retirement, meaning that both parties will be able to plan for the future more effectively.

Retirement involves a significant change in lifestyle. All employees at Northwards should take the opportunity to plan for their retirement and it is recommended that employees should start planning for retirement at least five\* years before they intend to retire. At Northwards, employees normally retire at the age of 65. \*(Source ACAS 2006)

The Employment Equality (Age) Regulations 2006, with effect from 1st October 2006 gives employees the right to be reminded that they have the opportunity to work beyond their retirement age.

If they wish, employees can retire at the normal retirement age.

### **2. Retirement Options**

The following options are available to Northwards employees.

#### **2.1 Wind Down**

Employees may be able to reduce their contracted hours. Employees considering this option must be aware that a reduction in hours will reduce the contracted pay, holidays and Pension contributions.

#### **2.2 Step Down**

Employees may change to a lower grade post following consultation with Northwards Housing. Employees considering this option must be made aware that a lower grade status will reduce their Pay and Pension contributions.

#### **2.3 Retire and Return**

Employees may be able to take retirement, draw their pension and later return to work. Employees choosing to return to work must work a minimum of 16 hours.

### **3. Procedure**

Northwards Housing will notify employees six months prior to their retirement date (usually at the age of 65 years). The employee must make their request in writing at least three months before their proposed retirement date if they wish to continue working.

### **3.1 Dealing with the Request**

Upon receipt of an employee's request / expressing a wish to continue working, Northwards will acknowledge by letter which will include a face-to-face meeting within reasonable timeframe, usually 14 days.

Where the request to continue to work beyond 65 is received, Northwards, and in particular an employee's line manager will consider this request against the interests of his/her department / team taking into account issues such as:-

- The strategic direction and operational needs of the department / team
- The current department / team strategy.
- The skills mix required by the department / team for the foreseeable future.
- Succession and workforce planning.

### **3.2 Preparing for the meeting**

Managers in dealing with an employee's request are recommended to consider granting an extension where:-

- Savings accrue to the organisation in recruitment and training costs
- Retaining the valuable experience and knowledge of the employee is desirable

**Managers are encouraged to avoid stereotyping and making assumptions about an employee's capabilities based on age.**

Managers will confer with the Human Resource Officer who will attend the meeting in order to ensure fairness and consistency. The employee has the right to be accompanied by a work colleague or trade union representative. Employees have the same right in relation to any subsequent meetings.

Following the meeting, Northwards will then inform the employee of the decision as soon as is reasonable.

### **3.3 Northwards Decision**

If the decision is to retire an employee, he or she has the right to appeal against the decision on one occasion only. If this happens, an appeal meeting should be held as soon as is reasonable. Notification of this appeal hearing will be made in writing within 28 days.

### **3.4 An employee's appeal**

An appeal can be made if:

- Northwards refuses the request in its entirety; or,
- If Northwards accepts it, but decides to continue employment for a shorter period than the employee requested

This procedure must be repeated each time an individual nears the agreed extended point for retirement, unless the agreed extended period is less than six months.

### **3.5 Flow Chart – The Process of Extended Working**

Appendix 1 illustrates the process for employees/Northwards to follow with regards to a request to extending beyond an employees retirement age.

### **4.0 Pension Arrangements**

Employees are advised to telephone the Pensions Department as Northwards Housing cannot give advice regarding estimations and comparisons of pension benefits.

# The Process for Extended Working

