

# RETIREMENT POLICY

## Introduction: How to Use This Template

Retirement is an important transition for both the departing employee and the organization. A well-planned retirement policy will save you time and grief in the long run. However, it is important to note that in Canada, with very few exceptions, there is no mandatory retirement; in some rare cases, employers may be able to defend mandatory retirement programs on the basis that they are bona fide occupational requirements.

This document provides a structured approach to developing a retirement policy and includes the following elements:

- Early and phased retirement procedures
- Notification requirements
- Role transition

Use this template to craft a policy that fits your needs.

To use this template, simply replace the text with information customized to your organization. When complete, delete all probationary or example text and convert all remaining text to black prior to distribution.

<b>Policy Title</b>	Retirement Policy
<b>Policy Owner</b>	Human Resources
<b>Policy Approver(s)</b>	Vice President of Human Resources

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<b>Related Policies</b>	Name other related enterprise policies both within or external to this policy.
<b>Related Procedures</b>	Name other related enterprise procedures both within or external to this policy.
<b>Storage Location</b>	Describe physical or digital location of copies of this policy.
<b>Effective Date</b>	List the date that this policy went into effect.
<b>Next Review Date</b>	List the date that this policy must undergo review and update.

## Purpose

[Organization name] strives to make the transition from employment to retirement as smooth as possible. This policy governs retirement procedures for all employees. Note that [organization name] has no mandatory retirement age and retirement age refers to the age at which we will support an employee to retire to be eligible for retirement options.

## Scope

This policy applies to all [full-time, part-time; insert other groups if necessary] employees.

## Eligibility for Retirement

In accordance with applicable laws and regulations [or, insert name of legislation if relevant for example the Ontario Human Rights Code and Ontario Legislative Bill 211], [organization name's] employees are not required to retire but become eligible to retire at the end of the month in which they turn [insert age, e.g. 65].

## Early Retirement

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Use this section to document your organization's early retirement procedures.

### **Sample procedures:**

Employees who have reached 55 [or specify age] years of age are eligible for early retirement with a pension (if a pension is provided) and benefits (if provided) reduction for early retirement. The employee's pension will be subject to a x% (5%) reduction for each year of early retirement. Employees who opt for early retirement will receive an equivalent of one month's salary for each year of early retirement up to a maximum of six months' salary. Employees are advised to meet with a Human Resources representative to discuss their retirement option – including early retirement – before applying for early retirement.

Employees wishing to retire are required to apply in writing to the head of their department and Human Resources no later than 12 months [or specify notice period] before the intended retirement date. All retirement applications must include the desired date of retirement. Employees are advised that all applications for retirement will be considered on a case-by-case basis with a view to balance [organization name]'s business objectives and the employee's wishes. If an employee's application is not approved, Human Resources [or specify position] will meet with the employee to discuss the reasons for the decision and arrive at a mutually satisfactory agreement.

### ***Phased Retirement***

Use this section to document your organization's early retirement procedures.

### **Sample Procedures:**

Retiring employees [in the following groups: (list groups)] have the option of phasing out of their position by gradually reducing their workload. The maximum length of the phasing period is two [or insert suitable period] years leading up to the retirement date.

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Employees wishing to take advantage of this option are required to meet with Human Resources and the head of their department to develop a mutually satisfactory phase-out plan and ensure that succession planning requirements are met for the employee's position.

Employees who choose the phased retirement option will retain all benefits and privileges with the exceptions of the following items, which are based on full-time status or time worked:

- Paid vacation time and leaves based on time worked
- Medical benefits based on full-time status

## **Procedures and Responsibilities**

### ***Notice of Retirement***

Employees are required to provide a minimum of 12 [or insert another period] months' notice of retirement to accommodate the transition and knowledge transfer processes.

The notice must be made in writing and submitted to [Human Resources and the employee's immediate manager].

Although Human Resources will notify employees of their eligibility for retirement no later than 12 months before their [65<sup>th</sup>, or insert relevant age] birthday, it is the employee's responsibility to provide notice of their chosen date of retirement in accordance with the above timeline.

### ***[Organization Name] Property***

All [organization name] property will be handed over by the retiring employee in accordance with the Offboarding Policy [or specify relevant policy]. If the retiring employee chooses to remain with [organization name] on a part-time, contract,

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remote, or another alternative arrangement, Human Resources and IT will make and document appropriate equipment and access arrangements.

## ***Role Transition***

As part of [organization name] succession planning program, role transition plans will be developed for [list positions and/or employee groups] to facilitate the transition process and transfer of knowledge. Human Resources and managers will develop individual transition plans for each retiring employee included in the succession planning program. The plans will include:

- Accountabilities and expectations for the departing employee, their successor, and manager
- Knowledge transfer requirements, methods, and timeline
- The retiring employee's alternative work arrangements, if applicable
- [Insert other items if applicable]

The following are the most commonly used knowledge transfer methods:

- Mentoring
- Job shadowing
- Special assignments
- [Insert method]

All enquiries about the development of an appropriate transition plan should be directed to Human Resources [or insert specific position if available].

## ***Benefits***

Use this section to document post-retirement benefits or delete the section if it's inapplicable. Note that if an employee has retired and is hired-back on a full or part-time, contract or contingent basis the employee (will or will not) be eligible for additional benefits offered to employees.

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## Sample procedures:

All benefits provided by [organization name] will cease on the date of an employee's retirement with the exception of the following (specify any provision for benefits including insurance, dental and medical to continue after retirement and what, if any, money an employee must pay to remain part of the benefits package).

Retiring employee will receive payouts for any earned vacation that has not been taken on the date of their retirement.

## Employee Declaration

I, \_\_\_\_\_, hereby acknowledge that I have read and understand [organization name]'s Retirement Policy. I agree to abide by the terms and conditions of this policy and ensure that persons working under my supervision abide by the terms and conditions of this policy. I understand that if I violate or fail to comply with this policy, I may face legal or disciplinary action according to applicable laws or [organization name] policies.

\_\_\_\_\_

\_\_\_\_\_

*Employee Signature*

*Date*

\_\_\_\_\_

\_\_\_\_\_

*Manager Signature*

*Date*

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## Revision History

Version	Change	Author	Date of Change

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