**Retirement Policy**

**INTRODUCTION**

According to the Section 187(2)(b) of the Labor Relations Act 66 of 1995, a termination based on age is fair if the employee has reached fair or agreed age of retirement for the persons employed in that capacity.

[Company Name] has adopted the general retirement age of [X] years but recognizes the need to retain certain employees who performed exceptionally with high skills and productivity beyond the age of [X] Years. It accordingly allows employee extensions according to the rules of the relevant retirement funds.

**PURPOSE**

The purpose of this policy is to set out the procedures followed by [Company Name] for effecting employee’s retirement upon reaching the age of superannuation and provide advice and guidelines related to the retirement.

**SCOPE**

This retirement policy is applicable to all the regular full-time and part-time employees of the company.

**PRINCIPLES**

* Retiring employees must be given at least one year's notice of whether or not they will be granted an extension beyond retirement, to allow for planning.
* The criteria and processes for providing extensions beyond retirement must be fair, consistent, and transparent.
* For all recommendations or decisions, all evaluation panels or committees must provide thorough justifications.
* Applicants for post-retirement extensions will be treated with respect, but no post-retirement extension will be granted only on compassionate grounds.
* Except in exceptional circumstances, employees over the age of normal retirement are not permitted to hold temporary leadership positions. To promote capacity building, equal opportunity, and transformation, this is necessary.
* All requests for extensions beyond retirement will be reviewed by a duly appointed sub-committee of the Company's Staffing Committee, which will make the final decision.
* There shall be no appeals from the Staffing Committee's Retirement Sub-decision. Committee's
* Reviews shall be based only on procedural irregularity.

**POLICY PROVISIONS**

**1. Normal Retirement**

The Company values all employees' efforts, regardless of age. It recognizes, however, that certain staff turnover is necessary in order to introduce new talents and methods or refocus activities that affect the Company's success. If the Company is to achieve its transformation goals, staff turnover is also critical.

As a result, the usual retirement age for all employees will be [X] years old, and it will take effect at the end of the year in which the employee turns [X].

Employees can choose to retire at the conclusion of the month in which they turn [X].

**2. Early Retirement**

Staff aged [X] and up may apply to retire earlier than their normal retirement age, subject to the requirements of the appropriate retirement fund.

**3. Extensions Beyond Normal Retirement Age**

The company understands the importance of keeping selected exceptional, highly talented, and productive employees past the regular retirement age. As a result, subject to the rules of the applicable retirement fund, the Company may grant a staff member who has reached normal retirement age an extension beyond normal retirement for a period of up to three years in the first instance, with the possibility of a further extension for up to two years.

A member of staff on extension beyond normal retirement age should meet or exceed the needs and expectations for their post in the annual performance assessment process, regardless of the duration of the extension. Their contract may be terminated if their performance falls below expectations in any year of assessment.

Extensions beyond retirement are not guaranteed and are contingent on:

**- Options for filling the position are evaluated.**

Prior to examining a possible retiree for an extension beyond retirement, the relevant senior management shall consider:

- the Business Unit's strategic, operational, and/or academic priorities to determine if resources should be provided to the role;

- the necessity to use the position to improve transformation in order to meet the Business Unit's employment equity goals;

- the likelihood of filling the position, taking into account any particular skills required for the job and the likelihood of finding a replacement given current market trends.

- If it is determined that an extension beyond retirement is viable after considering all options for the position, the staff member must be evaluated using the criteria outlined in below.

**- Assessment of Staff Member**

**Minimum Requirements:**

a staff member's ability to maintain a high level of performance. Once the Performance Management system is in place, this assessment will be based mostly on the staff member's annual performance reviews. The incumbent must also meet at least three of the following conditions in addition to the minimum standards.

Due to current market dynamics, ownership of specialized or rare skills and qualifications that are difficult to replace through standard recruitment.

Involvement at a high level in a significant project where continuity is critical to success.

Continuously high productivity.

In terms of income generating, there is a track record.

Continuous professional development and capacity to adapt to new trends and advancements in his or her sector.

**Extension Duration**

The duration of the extension will be determined by considering the following factors:

* big initiatives in which the employee plays a significant role and where consistency is critical;
* the term of a succession plan that has been approved.

The initial extension beyond retirement can last for up to [X] years. After that, a new application is submitted for a period of up to [X] years.

**Appointment Terms**

**Compensation**

If the workload and level of responsibility do not change, the employee will receive the same income as at his or her regular retirement date and will remain on pensionable service, subject to the requirements of the applicable retirement fund.