

Human Resources Directorate

Retirement Policy

This document sets out the policy and process relating to the engagement between the Company and its employees as they approach retirement.

Effective Date of this Policy is: 01st May 2021

Policy Review Date is: May 2022 {subject to changes in legislation}

Queries to: Employee Relations (Policy);

Replaces/Supersedes:

1. Preamble

- 1.1. This document sets out the policy and process which has been agreed between the Company and the An Post Group of Unions relating to the engagement between the Company and its employees as they approach retirement.
- 1.2. It also details how requests from employees to extend their working life beyond the Maximum Retirement Age in the Company will be handled. It takes account of the WRC Code of Practice on Longer Working.
- 1.3. It includes provisions setting out:
 - The objective reasons for our having a Maximum Retirement Age (MRA)
 - The supports available to prepare staff for retiring at either the Normal Retirement Age or their Maximum Retirement Age
 - The options available to staff who wish to remain working after their Maximum Retirement Age
 - The implications for Health and Safety, pensions and related matters
- 1.4. This Policy approach will be trialled for a two-year period commencing 1st May 2021 and will be reviewed with the Group of Unions following this trial and annually thereafter or in the event of any change in legislation. The purpose of the trial is to establish the effect on our business of working longer than our current MRA and any implications for health and wellbeing of staff.
- 1.5. This policy applies to all staff of An Post.

2. Retirement Age in An Post

- 2.1. Normal Retirement Age (NRA)
Within An Post there are a number of ways of calculating normal retirement age. It is dependent on the following:
 - employed pre-Vesting Day i.e. prior to 1st January 1984
 - paying Class D PRSI
 - paying Class A PRSI
- 2.1. Normal Retirement Age (NRA)
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- (i) For those employed pre vesting day Normal Retirement Age is the date on which they reach the age of sixty years.
- (ii) For those paying Class D rate of PRSI and who joined post Vesting Day and provided that at such time their age is not less than 60 years, it is either when they have completed 40 years' pensionable employment or the date on which they attain the age at which the State Pension (Contributory) is payable.
- (iii) For those paying the Class A rate of PRSI the Normal Retirement Age is the date on which they become eligible for the State Pension (Contributory)

2.2. Maximum Retirement Age (MRA)

In all cases the Maximum Retirement Age is the date on which they become eligible for the State Pension (Contributory)

3. Current Retirement Policy and Procedure

- 3.1. One of our objectives as an employer is to provide employees with a positive employee experience when approaching retirement age while balancing this with our responsibilities as a business, the needs of our customers and our statutory, social and safety obligations.
- 3.2. To assist employees in planning their careers and pensions and for good business and staff planning purposes An Post has a Normal Retirement Age and a Maximum Retirement Age, the details of which are outlined above.
- 3.3. This Policy sets down the interaction between the Company and employees in the lead up to retirement in addition to advising employees how they can extend their working careers as detailed above.
- 3.4. The Company will approach these issues in a transparent manner to address the needs of the business, the requirements of employees, the customers and the communities of which we are part. Like all policies it is subject to change as our business evolves, the law and the external environment changes including employment market change and the challenges we will experience from time to time.
- 3.5. The normal age at which employees can retire from An Post Service is detailed above. The NRA and the MRA were agreed as part of the Pension Accord finalised in 2013 between the Company and the An Post Group of Unions. The aims of having a set NRA and a MRA are as follows;

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- (i) To provide certainty and standardisation of retirement for all employees regardless of the age at which they join the Company. It also provides consistency of treatment and enables clearer planning for retirement.
- (ii) To enable the Company and its employees to adequately plan for pension provision.
- (iii) To facilitate the introduction/promotion of employees to and within the Company to refresh the business and achieve intergenerational fairness.
- (iv) To have a mix of generations of employees with different and diverse views, ideas and experiences.
- (v) To ensure our obligations from a health and safety perspective are met and to eliminate or minimise the risk of illness or injury (directly or indirectly) to our employees as far as reasonably practicable.
- (vi) To maintain dignity amongst all employees
- (vii) To ensure that significant resources allocated to training can be matched to achieve the maximum return over the longest periods possible.
- (viii) To ensure retention and motivation of employees by having a range of promotional opportunities and new positions arising on a regular basis through the replacement of those who retire.
- (ix) To allow for future and succession planning

3.6. Proportional Means of Achieving Objectives

The current NRA and the MRA are a proportionate means of achieving the objectives in 1 to 9 above for the following reasons:

- (i) Consistent with the current practice and collective agreements.
- (ii) They provide certainty and consistency of treatment and can be applied consistently across all categories of employees.
- (iii) MRA coincides with the State Pension Age and the An Post Superannuation Scheme and facilitates the smooth transition from paid employment to receipt of pensions.
- (iv) It facilitates workforce planning.

4. Retirement Planning - Engagement with Employee Ahead of NRA

4.1. An Post recognises that the opportunity to retire is often welcomed by employees but in some instance this can cause worry and anxiety. An Post will:

- (i) Arrange for a HR staff member to meet with employees 12 months before their Normal Retirement Age and 12 months ahead of any minimum age/service at which they can retire to ascertain their intentions and hear any concerns or issues and respond to them promptly.
- (ii) Provide these employees with access to a Pre-retirement course should they wish to avail of it.
- (iii) As well as supporting individuals this will assist manpower planning by obtaining employee's intentions to retire if known 12 months ahead of any potential retirement dates,
- (iv) It also recognises that some employees may change their mind in relation to either retiring early, on their NRA or in relation to extending their retirement date and this policy will also provide for this possibility.
- (v) Enable individual employees approaching NRA to obtain professional information on pensions and pension related matters.
- (vi) Provide access to An Post Welfare Services for staff where required.

5. Extension of Working beyond MRA

5.1. An Post will consider, following application, granting staff who are approaching MRA the opportunity to extend their working life on a temporary basis for up to 12 months at a time in the following circumstances:

- (i) To ensure specialised roles and specialised knowledge are retained within the Company where this is needed.
- (ii) To ensure that the role/job continues to be performed during any handover/recruitment phase and to ensure no interruptions/gaps in the role/job.
- (iii) To ensure continuity of service, knowledge and standards in particular projects undertaken by the Company.
- (iv) To meet employee requirements to prepare better for retirement or to improve pension provision.

5.2. In relation to applications by an employee to extend employment, such applications must be sent to the Company at least six months before MRA setting out the reasons why they wish to remain in employment following MRA, the duration of the proposed extended working and whether this is sought on a full-time or part-time basis.

5.3. The Company will consider the request, arrange to meet with the employee concerned and provide the employee with a written response within two months of the application.

5.4. While each case will be considered on its merits the following will be taken into account when considering an application for extended working:

- (i) Each individual's circumstance and their ability to give regular and reliable service
- (ii) The need for intergenerational fairness i.e. allowing younger workers to progress
- (iii) Creation of a balanced age structure within the Company
- (iv) Succession Planning
- (v) Motivation and dynamism through the increased prospect of promotion
- (vi) The continuing need for their role
- (vii) Consideration of any risks from a health and safety perspective to the employee or others.

5.5. The application for extended working will be made to the appropriate Regional HR Manager with approval from Central HR. If an application for extended working is not accepted an appeal can be made to the Head of Employee Relations.

5.6. Longer working will be on the basis of continuation of the same terms and conditions for the duration of the extension.

6. Implications for Health and Safety, pensions and related matters

6.1. Pensions

- (i) Before agreeing applications for extended/longer working An Post HR will communicate the implications to each individual and in particular this communication will address any implications for pensions.
- (ii) Employees working beyond MRA will receive their pension lump sum from the An Post Superannuation Scheme when they reach their MRA but they cannot receive their annual pension until they actually retire from An Post.
- (iii) Under the rules of the An Post Superannuation Scheme no contributions are made to the scheme after the MRA and no additional Service is accrued. An employee may however contribute to a Personal Retirement Savings Account (PRSA).

6.2. Health and Safety

- (i) Health, safety and wellbeing are key considerations for An Post management in considering requests for longer working.
- (ii) In considering such applications An Post will complete a risk assessment have regard to the nature of the work and any individual considerations which may impact on the person continuing to carry out their role safely and any implications for others.
- (iii) In such situations An Post reserves the right to refer any employee to our occupational health advisers ahead of or during any period of extended working.

6.3. Voluntary Severance

Given that requests for extended/longer working will be by means of a voluntary application for a defined duration of 12 months' at a time voluntary severance schemes will generally not apply in such circumstances.