



**Isle of Man**  
Government

*Reiltys Ellan Vannin*

# Civil Service Commission

## *Barrantys Shirveish y Reiltys*

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## **Consultation**

### **Draft Policy on Re-Employment of Public Service Staff Following Retirement**

#### **1. Background**

Following on from the introduction in April 2012 of the Government Unified Pension Scheme (GUS) which removed the facility for the abatement<sup>1</sup> of pensions for staff who retired after that date, the Public Sector Pensions Authority (PSPA) has had enquiries from Departments and individuals regarding the process to be followed if:

- i. Individuals wished to continue working in their current post after claiming retirement benefits, or
- ii. Departments wished to re-employ retired Government Unified Pension Scheme (GUS) members.

The PSPA therefore requested that the Office of Human Resources (OHR) investigate the possibility of developing a policy regarding the re-employment of retired individuals and to clarify the provisions in respect of abatement.

At the same time Treasury requested that OHR review the arrangements for Government Departments and Statutory Boards to re-employ staff members who have retired from public service.

#### **2. Considerations**

There are several important factors to consider when determining whether or not to adopt a policy regarding the re-employment of former public service staff subsequent to their retirement.

First, the employer would probably appoint another individual in the vacated post and therefore overall costs in terms of pension paid plus salary for the post, would remain at the same level. Also, where staff have retired and are in receipt of their pension according to the terms and conditions of their employment, there appears to be no valid reason that they may not apply for a new position within Government, provided that this is done via open and fair recruitment.

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<sup>1</sup> Prior to the introduction of GUS the Civil Service Pension Scheme and analogous schemes applied an 'abatement' procedure whereby, if a former Scheme member returned to work in the Public Service and their pension earnings exceeded their pre-retirement earnings, then their pension was reduced or completely suspended dependent upon the level of earnings upon re-employment.

Second, the majority of staff re-employed following retirement are those who work as casual, bank or supply staff within Health, Social Care and Education professions, on a non pensionable basis. These services rely heavily on the flexibility that this offers and would face serious challenges to service delivery if this flexibility were to be removed.

### **3. Conclusion**

The review concluded that Government should generally seek to avoid staff re-employment following retirement, but that special provision should be made for casual, bank and supply roles and some specific areas of skills shortage, as determined from time to time. Where re-employment is proposed, any decision to re-employ should be based upon factors such as the business need of a Department, Board or Office, key skills which may be possessed by an individual which would make them difficult to replace in the short term, whether the individual was involved in a time-bound project upon reaching their contractual retirement age and if it would be detrimental to the Department, Board or Office for the individual to retire during the course of the project.

OHR, acting on behalf of the Civil Service Commission, has therefore drafted a new policy with a view to clarifying and formalising this position.

### **4. Consultation**

The draft policy has been considered by Council of Ministers which noted that, whilst Government should generally seek to avoid staff re-employment following retirement, there were instances where it was prudent to do so. For this reason the draft policy sets out criteria to assist Accounting Officers to assess the eligibility for re-employment of retired staff members.

With regard to the matter of abatement, the Council of Ministers confirmed that the PSPA should adopt a consistent approach by no longer applying abatement to individuals who retired prior to 1 April 2012, and that it should ensure, along with OHR and Government employers, that the requirements of the new Re-Employment Policy were implemented once it was introduced.

The Council of Ministers approved the commencement of a consultation exercise to consider the new draft policy.

**The Civil Service Commission therefore seeks your views and comments in respect of the draft policy, a copy of which is attached for your consideration.**

This document and the Policy are also available via the OHR website under 'Consultations' at <http://www.gov.im/hr>.

### **5. Responses**

If you wish to comment on the content of the draft policy you should send your comments by post or e-mail to:

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Please note that it will be assumed, unless you indicate otherwise, that you do not object to your response being made public via the OHR website. If you wish all or any part of your reply to be treated as confidential, then please indicate this clearly in your response.

The consultation period ends on **26 July 2013** and all written views and comments should be submitted by 5.00 pm on that day.

## **6. Outcome**

Following consultation the Office of Human Resources, on behalf of the Civil Service Commission, will:

- Review all comments received from consultees
- Publish a document on its website summarising the main points
- Amend the policy as necessary
- Submit the revised policy to the Council of Ministers for endorsement.