

Flexible or phased retirement is any arrangement that enables employees to reduce their work hours and or job responsibilities for the purpose of gradually easing into fuller retirement at a sometimes much later date. It could involve part-time or part year work or working in a role with a reduced level of responsibility. It could include working in a job share arrangement, taking an extended leave of absence in preparation towards retirement or being rehired after a period of retirement as a consultant, contractor, temporary or casual worker.

While it may sometimes be difficult from a short-term operational point of view to offer employees flexible retirement options or an opportunity to re-enter the workforce, these types of options can provide employers with unique opportunities to attract and retain experienced and valued employees.

Potential benefits of flexible retirement for employees include the maintenance of self-esteem and confidence; continued access to satisfying paid work while moving into retirement; retaining a sense of identity, belonging, contribution and connection to community where work is a central life interest; being able to offer an employer sought after or difficult to replace skills; improved work-life balance; being able to maintain an income and health benefits where flexible retirement results in lower levels of anxiety, depression and stress.

Benefits for employers include the extended retention of skilled, experienced employees who can contribute to the effectiveness of the organisation; better management of potential skill shortages; improved capacity to transfer critical corporate knowledge and improved continuity with customers and key stakeholders as employees more gradually phase in and out of critical roles.

### **Key implementation issues include:**

- Recognising that use of flexible retirement options may involve a significant organisational cultural change. It will be necessary to stop considering retirement as a point in time and to start thinking of it as a process. In the case of critical skill shortages, employers may find it is necessary to work to change the attitudes of employees who have come to put a premium on early retirement.
- Recognising and responding to necessary work organisation and job design changes that may be required to encourage and support the use of flexible retirement options.
- Supporting and encouraging employees taking responsibility for keeping their skills up to date and for maintaining good health to enable them to consider a more flexible approach to retirement.
- Managing the expectations of other employees who may be waiting for promotion opportunities.
- Ensuring that there is no tacit belief that flexible work practices are only available to particular sub-groups of employees, for example women with children.

However, there is evidence that use of flexible work practices to effect a more flexible retirement from the workplace may be subject to some negative perceptions. The culture of many organisations is more comfortable with older employees making a clean break from the workforce, compared to moving to a quality part-time role or a job at a lower level of responsibility, even where it is likely to be very cost-effective for the employer. There is also strong evidence of a culture in Australia against part-time work where many employers and co-workers regard part-time workers as less valuable than full-time workers.

*British Telecom offers employees five flexible retirement working options:*

**Wind down** – employees have an opportunity to work part-time or job share  
**Step down** – employees are able to reduce their work commitments by taking a position at a lower level of responsibility  
**Time out** – allow full time or part-time sabbaticals for further education, travel, trial period of spending more time with family or leisure pursuits  
**Helping hands** – encouraging volunteering or community work  
**Ease down** – allowing employees to gradually reduce working hours and or responsibilities.

*Cited benefits include slowing down the loss of skilled and experienced staff, reducing recruitment and induction costs, attracting applicants from a wider pool of talent and protecting the company's occupational pension fund as the life expectancy of fund members continues to rise.*

Flexible work practices and flexible retirement options that may be available to employees include part-time work, part-year employment, job-sharing, special leave without pay (including purchased leave), flexible use of long service leave, voluntarily working at a lower classification level, working from home and post retirement re-entry to the workforce.

*Source: Department of Employment and Industrial Relations 'A Guide for the Queensland Public Service: Managing an Ageing Workforce'*