



PHASED RETIREMENT

TOOLKITS FOR FLEXIBLE WORK ARRANGEMENTS

What is Phased Retirement?

Phased Retirement is a flexible arrangement in which employees who are approaching retirement have the option of gradually transitioning from full-time schedules and workloads to a more flexible schedule and/or reduced workloads.

01 | 1-Year Phased Retirement

Employees may transition from a full-time schedule to a part-time schedule with a reduced workload.



01 | 2-Year Phased Retirement

Employees may transition from a full-time schedule to a flexible arrangement (e.g. flexi hours, compressed work week or telecommuting) before transitioning to a part-time schedule with a reduced workload.



Success factors for Phased Retirement



01 Discussion between supervisor and employee to clarify how the current job duties will be performed with a reduced workload to ensure the workload is evenly distributed and does not impact customers.

02 Phased Retirement employees must demonstrate efficiency in completing work within set time frame.



03 Clearly define expectations for Phased Retirement employees on expected productivity and output.

Possible challenges and mitigation actions for implementation

Challenges	Description	Mitigation Actions
 <p data-bbox="145 703 370 815">Employee fears negative career impact</p>	<ul data-bbox="475 510 868 725" style="list-style-type: none"> • Employees could fear that due to the new arrangement, their career path will be limited, causing them to be less engaged or motivated. 	<ul data-bbox="949 510 1485 613" style="list-style-type: none"> • Develop and communicate customised career paths for employees on this arrangement.
 <p data-bbox="113 1133 405 1285">Lack of knowledge and skills transfer to other employees and/or subordinates</p>	<ul data-bbox="475 936 879 1227" style="list-style-type: none"> • The employee's valuable skills and knowledge are not retained once they fully retire, as the skills and knowledge were not recorded and conveyed to those taking over similar responsibilities. 	<ul data-bbox="949 936 1461 1263" style="list-style-type: none"> • Ensure clear and thorough handover documents are prepared. • Ensure the employee's knowledge is recorded in knowledge management systems. • Have the employee conduct trainings with subordinates for transfer of knowledge and key skills.

Who can benefit from it?

Employers who wish to meet the following business objectives:



Ensure there is succession planning



Retain senior top talents who are approaching retirement age for longer



Pass on expertise and knowledge to younger employees

Employees who meet the following criteria:



All full-time employees approaching retirement age who wish to start planning and/or preparing for retirement



SPOTLIGHT: Don't Wait

Kick-start conversations with employees who are nearing retirement age to ask about their plans in the next 2 to 3 years.

Key components of the policy



Purpose

Outline the objective behind implementing Phased Retirement in line with the business goals and employees' needs.



Eligibility

Specify the target group who is eligible to apply for Phased Retirement, taking into consideration various factors (e.g. job role, level, tasks or responsibilities).



Types of FWAs

Define Phased Retirement, the different types of work schedules, and the duration of the arrangement before full retirement (typically 1-2 years).



Performance Management

Clarify that performance management will only be applicable for that duration of Phased Retirement.



Compensation and Benefits

Clarify that salary, compensations and other benefits should be revised according to the job scope and duration.



Policy Review

State how frequently the policy should be reviewed by HR (e.g. quarterly or annually) and that it may be amended or terminated if it does not comply with the business needs.

At TalentCorp, we help companies to get started on implementing Flexible Work Arrangements (FWAs). Our team provides advisory support and sharing of best practices to help companies manage FWAs challenges, both organisational and people. Whether it's to implement, enhance, or promote FWAs for your company, we can support to deliver a solution that is customised to your business and people needs.

Want to kick-start your FWAs journey?

Connect with us through email at flexworklife@talentcorp.com.my

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