



Policy Statement

This Policy covers conditions for 'Leaving the Service' as a result of completing fixed term contracts, voluntary resignation and voluntary retirement by employees from the Public Sector.

Scope

This Policy applies to employees who have:

- Completed fixed term employment contracts;
- Resigned; or
- Retired

This Policy does not apply to employees who resign from employment with one agency to take up employment with another agency within the Public Sector.

Principles

The Public Service Act 2009 identifies the following values for public servants to adhere to:

Honesty	acting honestly, being truthful, and abiding by the laws of the Cook Islands
Impartiality	providing impartial advice, acting without fear or favour, and making decisions on their merits
Service	serving the people well through faithful service to the Government of the Cook Islands
Respect	treating the people, the Government of the Cook Islands, and colleagues with courtesy and respect
Transparency	taking actions and making decisions in an open and transparent way
Accountability	being able to explain the reason for actions taken, and taking responsibility for those actions
Efficiency and Effectiveness	achieving good results for the Cook Islands in an economical way

The duty to act as a good employer requires employers to develop and implement personnel policies which ensure the fair and proper treatment of employees during employment, including the impartial recruitment of employees, employee capability development opportunities and good and safe working conditions.

Employees have a responsibility to act in a professional manner when leaving the public service.

Legislation and Regulations

The Public Service Act 2009, Employment Relations Act 2012, Cook Islands National Superannuation Fund Act 2000 and other relevant legislation.

Definitions

Agency means any public service department, instrument, or agent of the Government and includes a body corporate or organisation that is wholly owned or controlled by the Crown

Casual employees have irregular working hours; or work intermittently; or are employed for short term work only

Employee means any person who is an employee of the Public Sector

Employer means the Public Service Commissioner or the Head of a Public Sector Agency or their delegated authority

Normal Place of Work means the place or site where an employee is usually stationed to work

Public Service Commissioner means the Public Service Commissioner appointed under Article 73 of the Constitution and Section 5 of the Public Service Act 2009

Retirement is where an employee permanently withdraws from the regular paid work

Superannuation Funds are those identified or approved under the New Zealand Government Superannuation Fund (GSF) Cook Islands National Superannuation Fund (NSF)

Voluntary acting of one's own free will without being forced

Procedures

Employers are responsible for administering this policy. The employer is responsible for ensuring all policies are easily accessible to employees however, the onus lies with the employee to read, understand, familiarise and comply with this and any other relevant government policies. Any person who breaches this policy may have committed an act of misconduct and may be subject to disciplinary action and/or dismissal.

Completion of Fixed Term Contracts

Fixed term employment contracts have a start and end date. The employment relationship between the employer and an employee ends or is terminated at the end of the contract, unless amendments or variations to the contract are agreed in writing between the parties.

Employers do not have a legal responsibility to retain an employee after the end of a fixed term contract. Each party's obligations upon termination are outlined in the terms and conditions of the contract.

Resignations

Employee responsibilities

Employees intending to resign from the public service must provide fair and reasonable notice:

- employees other than casual employees should give four weeks' notice from the date of their last day of duty unless otherwise provided for in a contract of employment
- Casual employees must give one weeks' notice unless otherwise provided for in a contract of employment

Employees must tender their resignation in writing to their employer, stating their last day of work. The last day of work is the official finishing date for administrative purposes. Employees must return all records and property belonging to the Agency e.g. equipment, keys, laptops, computers, cell phones and motor vehicles – before or on their last day of work.

Employer obligations

Employers must:

- Negotiate and/or agree an 'end date' with the employee
- Have mechanisms in place to minimise the loss of institutional knowledge with departing employees, particularly for senior advisory, technical or hard to fill positions e.g. workforce plans, business plans.
- Finalise any administrative processes in collaboration with the Office of the Public Service Commissioner and Ministry of Finance and Economic Management
- Ensure that employees receive entitlements provided through legislation e.g. ER Act
- Ensure final pay is made upon the return of all agency assets entrusted to the employee

The Office of the Public Service Commissioner is responsible for entering the cessation dates of employees on the government centralised Human Resources Management Information System (HRMIS). The Ministry of Finance and Economic Management is responsible for processing the employee's final pay and removing employees from HRMIS.

Exit interviews may be conducted by agencies. Employees can be invited to participate on a voluntary basis. This is good human resource management practice to help the employer understand the employee's reasons for leaving. It also gives the employee an opportunity to provide feedback on their work experience. The information can be used to improve the agency work environment and employee engagement.

Employers can provide employees with Certificates of Service, including verbal and written references.

Voluntary Retirement

The government voluntary retirement policy provides an incentive for employees aged 60 years and over to retire from the public service. Retirement is optional and a matter of individual choice. While there is no compulsory retirement age for public servants, voluntary retirement is encouraged from the age of 60 years onwards. Employees who continue to work after the age of 65 receive a lower retirement pay-out than those who retire by 65. Agencies are responsible for funding the cost of retirement pay-outs from existing budget baselines.

Eligibility

Employees must be:

- Aged 60 years and over*
- A Cook Islander or an approved permanent resident
- A current public servant
- Able to show they have worked a minimum of one year's total service or completed a full year's service for government

*Only in exceptional circumstances such as serious ill health, will an application be considered for those aged 55-59 years. But they must meet all other requirements, i.e. years of service, a Cook Islander or permanent resident. Each application will be considered on its merits.

People who are NOT eligible include:

- Employees who are not Cook Islanders nor approved permanent residents
- Employees who have not completed a minimum of one years' service with government
- Members of Parliament paid from the Civil List
- Member of the House of Ariki
- Elected Mayors and Island Councillors
- Teachers in Private Schools
- Staff employed by State Owned Enterprises (SOEs)
- Casual employees (e.g. Relief Teachers)

Pay-out calculation

The voluntary retirement pay out package is based on the employee's age and years of service, and includes any other entitlements owing such as annual leave. The total number of years of service is determined by the completed years – not part years.

The amount of the pay-out is calculated based on the employee's gross fortnightly¹ salary (excluding overtime), times a 'multiplier' based on age and total years of service, on the date of retirement.

For example, an employee aged 65 retires, they worked from 2006 to 2010 (5 years), then left the public service, but returned to work for the public service from 2013 to 2015 (3 years) this means that they have worked the equivalent of 8 years. Therefore, the multiplier will be 2.20 (Table 01) of their gross fortnightly salary.

For employees who retire from 01 July 2016 - refer to Table 01.

Table 01: Multipliers for those who retire

Years of Service	Multipliers based on age and years for service										
30+yrs	2.00	2.40	2.80	3.20	3.60	4.00	3.80	3.60	3.40	3.20	3.00
25-29yrs	1.80	2.16	2.52	2.88	3.24	3.60	3.42	3.24	3.06	2.88	2.70
20-24yrs	1.60	1.92	2.24	2.56	2.88	3.20	3.04	2.88	2.72	2.56	2.40
15-19yrs	1.40	1.68	1.96	2.24	2.52	2.80	2.66	2.52	2.38	2.24	2.10
10-14yrs	1.20	1.44	1.68	1.92	2.16	2.40	2.28	2.16	2.04	1.92	1.80
5-9yrs	1.10	1.32	1.54	1.76	1.98	2.20	2.09	1.98	1.87	1.76	1.65
1-4yrs	1.00	1.20	1.40	1.60	1.80	2.00	1.90	1.80	1.70	1.60	1.50
Age >>	60	61	62	63	64	65	66	67	68	69	70+

Special Conditions:

- Employees are eligible for the voluntary retirement pay-out only once in their lifetime
- Multipliers used to calculate the pay-out will be subject to review when this policy is reviewed
- No pay-outs will be made until the employee actually retires
- Only five percent of the total pay-out amount is taxable at the employee's ordinary tax rate - in the same way that their salary or wages are taxed
- If a retired employee returns to work for the public service at a later stage, they must be employed in a very different role to what they were doing at the time of retirement. Otherwise they may have to pay tax on the full retirement pay-out received

Applications for voluntary retirement

Employees must:

- Give the required notice to their employer in writing – this is usually four weeks
- Ensure their employer signs acceptance of their retirement
- Obtain a copy of the application form for Voluntary Retirement from the Office of the Public Service Commissioner or download a copy from the office website: www.psc.gov.ck
- Complete the application form and include the following documentation:
 - A copy of their birth certificate or passport to verify their age
 - A copy of their retirement letter signed by the employer (HoM)
 - Evidence of 'total' years of service
 - Bank account details - if this is different to where their salary is usually paid

Pay-outs will be made to the employee bank account within four weeks of the date of retirement.

Information relating to superannuation benefits is available upon request from the relevant

¹ Denotes a period of 2 weeks cycle

superannuation providers. Most employees can contact the Cook Islands National Superannuation Fund Office or the Office of the Public Service Commissioner (for the New Zealand Government Superannuation Fund) – for information.

Other provisions

All documentation relating to public servants leaving the public service should be placed on the employee's personnel file and retained for audit purposes.

All records relating to employee departure must be kept for at least seven years and only accessible by the employer and/or authorised staff. After the seven year period, the department may destroy the documentation in adherence with government official information management policies.

The Office of the Public Service Commissioner is responsible for reviewing and updating this policy and associated documents annually.

Associated Documents

Exit Interview Questionnaire

Certificate of Service

Voluntary Retirement Policy – Pamphlet

Voluntary Retirement Application Form

Other information

For policy queries contact the Office of the Public Service Commissioner on phone (682) 29421 or email: pscinfo@cookislands.gov.ck