



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 of the Public Sector who have:

- Completed fixed term employment agreements
- 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 (PSA) provides the following values Public Servants must 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 (PSA 2009) 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, provide employee capability development opportunities and good and safe working conditions.

The Cook Islands Government Policies and ERA prohibits discrimination on the grounds of race or ethnic origin, beliefs, religion, gender or sexual preference, disability, age or health status, whether for internal or external recruitment.

Legislation and Regulations

The Public Service Act 2009 (PSA), Employment Relations Act 2012, Public Service (Identification of Departments) Order 2008, 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 Employee means an employee who works irregular or intermittent hours, on an hourly pay rate.

Employee means a person engaged to work under an employment agreement. It does not include an independent contractor/consultant engaged under a contract for services.

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

Exit Interviews means an interview that is held at the time that an Employee leaves employment with an Agency, typically in order to discuss the Employee's reasons for leaving and their experience of working for the Agency and Public Sector.

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

Public Sector includes Public Service Departments, Island Governments, Agencies, Crown/Statutory Agencies, Offices of Parliament, Ministerial Support Offices, State Owned Enterprises, as defined in the Public Service (Identification of Departments) Order 2008.

Public Service Commissioner (PSC) means the individual appointed under Article 73 of the Constitution and Section 5 of the PSA.

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

Superannuation Funds are those identified or approved under the New Zealand Government Superannuation Fund (GSF) or the 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, employees are responsible for ensuring they read and understand this policy and any relevant Government policies. A breach of the Policy may be considered misconduct and may be subject to disciplinary action and/or dismissal.

Completion of Fixed Term Contracts

Fixed term employment agreements have a start and end date. The employment relationship between the employer and an employee ends or is terminated in accordance with the terms of the employment agreement, 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 date of a fixed term contract. Each party's obligations concerning cessation of employment are outlined either in the terms and conditions of the employment agreement or as detailed in this Policy.

Resignations

Employee responsibilities

Employees intending to resign from the Public Sector must provide fair and reasonable notice:

- Employees other than casual employees should give notice of intent to resign four weeks prior to the date of their last day of duty unless otherwise provided for in an employment agreement.
- Casual employees must give one weeks' notice unless otherwise provided for in an employment agreement.
- 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 all necessary administrative processes in collaboration with the Office of the Public Service Commissioner, Ministry of Finance and Economic Management and the ICT Division of the Office of the Prime Minister.

- Ensure that employees receive entitlements provided through legislation e.g., Employment Relations Act 2012.
- Ensure final pay is made upon the return of all Agency assets entrusted to the employee.

Where an employee requests, an Employer must provide employees with Certificates of Service (Annex 01), including verbal and written references.

Exit Interviews

The purpose of Exit interviews is to provide good human resource management practice and improve the performance of the Agency and also give the employee an opportunity to provide feedback on their work experience. Exit Interviews are conducted to assess the overall employee experience within an Agency and identify opportunities to improve retention and engagement.

All information collected through the Exit Interview process is confidential and no individual identifiers will be used in any subsequent reports.

All employers are required to offer all exiting employees the opportunity to participate in the exit interview process by sending the relevant information for an employee to participate in the Exit Interview process that is in place at the time the Employee leaves employment. The most current form of the Exit Interview survey can be accessed by contacting the Human Resources team at the Office of the Public Service Commissioner.

The process for conducting Exit Interviews is outlined in the Leaving the Service Guide (Annex 04).

Voluntary Retirement

The decision as to whether to offer an incentive for voluntary retirement lies with each individual Agency. Agencies are responsible for funding the cost of retirement pay-outs from existing budget baselines. If an Agency decides to offer a voluntary retirement programme, then the calculations of the pay-out of such a programme must be calculated as outlined here.

The Voluntary Retirement Policy provides an incentive for employees aged 60 years and over to retire from the Public Sector. 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.

Eligibility

Employees must be:

- Aged 60 years and over*.
- A Cook Islander or a permanent resident.
- A current public servant.
- Able to show they have worked a minimum of one calendar year's total service or completed a full calendar years' 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 permanent residents.
- Employees who have not completed a minimum of one calendar 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 fortnightly 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 Sector, but returned to work for the Public Sector 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 (Annexure 04) 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.
 - 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 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 records relating to the administration of this Policy must be kept for at least seven years for audit purposes and are only accessible by the employer and/or authorised staff. After the required seven year period, the Agency may destroy the documentation in adherence with Government official information management policies.

The Office of the Public Service Commissioner is responsible for reviewing and/or updating this Policy and associated documents as the need arises or at a minimum once every three years.

Associated Documents

Voluntary Retirement Policy – Pamphlet (Annex 02)

Voluntary Retirement Application Form (Annex 03)

Leaving the Service Guide (Annex 04)

Template Document

The templates set the minimum standards based on CIGOV Policies, ERA and PSA. They can be edited to suit individual Agency requirements as long as the minimum standards are not removed.

Certificate of Service (Annex 01)

Other information

For policy queries contact the Office of the Public Service Commissioner on phone (682) 29421 or email:

pscinfo@cookislands.gov.ck