



Municipality of North Grenville

To: **Council**

Meeting Date: July 8, 2025

Subject: Retirement Transition Agreement Program

Report No: CAO-2025-022

Prepared by: Karen Dunlop, Chief Administrative Officer

Recommendation(s)

THAT Council directs staff to enact a transition agreement program on a five-year trial basis.

Executive Summary

Purpose

- To implement a system that would provide for a continuation of corporate knowledge and facilitate succession planning and recruitment for the Municipality of North Grenville.
- The intent of this program is to assist eligible long standing municipal employees to voluntarily and irrevocably retire from their employment with North Grenville, in exchange for an incentive program based on the terms outlined below.
- The proposed program would provide for health, dental and limited Life insurance benefits for a maximum of two years post-retirement, as defined below.

Key Findings

- The Municipality has long-standing employees and it is deemed to be desirous to adopt a policy, on a five year trial basis, to facilitate succession planning and recruitment.
- A voluntary retirement transition Agreement program is designed to encourage long standing employees who are eligible to retire with an immediate OMERS pension and to formalize retirement agreements and transition plans.

Financial Implications

- **TO BE REVIEWED** by the municipal health care provider and finance

Background/Analysis

- To be eligible for the program, an employee must meet all the following criteria;
 - Must have ten (10) or more continuous years of service with the Municipality of North Grenville.
 - Must be eligible for an immediate OMERS retirement pension upon retirement.
 - Be 55 or older
 - Coverage would be the same as existing coverage (ie: family or single employee only)

General Policy Parameter

1. Participation in and applications to the Program shall be entirely voluntary.
2. To participate in the Program, an eligible employee must make application by way of a written memo to the Chief Administrative Officer (CAO) for consideration by the Municipality. Applications, approved by the CAO. When a policy anomaly is identified, Council approval.
3. Approval of applications will be at the sole discretion of the Municipality, based on a number of factors including and not limited to; the number of individuals making application, operational requirements and availability of funds.
4. If an employee is accepted, they will be provided with a Retirement Transition Agreement, which will be required to be executed to indicate their irrevocable election to retire from their employment under this program.
5. Eligible employees electing to participate in this program must provide a minimum of three (3) months' notice of retirement, and must irrevocably elect to retire from their employment with the municipality no later than six (6) months from the date the Retirement transition Agreement is fully executed. The municipality shall report the eligible employee's retirement date to OMERS, which will issue the eligible employee a pension option package.
6. As employees participating in this Program are voluntarily retiring, they have no entitlement to termination notice, pay in lieu of notice or severance pay under the Employment Standards Act, 2000 or the common law.
7. The municipality encourages employees to seek advice from an independent financial advisor prior to applying to the Program.
8. The program is being implemented on a trial basis in response to known organizational needs and may be discontinued at the discretion of Municipal Council. Employees wishing to apply under the Program are asked to contact Human Resources. Those employees accepted for a Retirement Transition Agreement under the terms of the Program will be provided with an Acceptance and Release letter within 45 days thereafter.

9. All formal communication related to changes of leadership associated with the Program will be the responsibility of Human Resources and any informal messaging by the retiring employee will be supportive of overall Municipal communications.

Voluntary Retirement Transition Program

1. The municipality will make best efforts to secure a replacement for the retiring employee that affords a period of overlap of at least four (4) weeks and no more than four (4) months to allow for a smooth transition of knowledge transfer to the incoming employee.
 - a. Efforts will be made to ensure the overlap period occurs before any paid leave to be taken by the retiring employee in advance of their retirement date.
 - b. The suspension of all prorated annual allotments for the year of retirement will be included in the calculation of the retirement date.
2. The retiring employee will retain their existing job title, unless otherwise specifically changed and agreed in the Retirement Transition Agreement. The incoming replacement hired, will use the title of "designate" or "interim" until the date of retirement for the retiring employee.
3. Upon hire of the replacement employee, the retiring employee will effectively cease the usual duties and responsibilities of the role and shift to an advisory, mentorship capacity to facilitate a seamless transition, to the best of their abilities.
 - a. Depending on the length of the overlap between the retiring and incoming employees, the retiring employee may be assigned supplemental tasks in keeping with their skills, abilities and expertise.
 - b. The retiring employee will make themselves available to the incoming hire as requested to transition knowledge, answer questions and provide reasonable advice. The retiree will not report to the replacement employee nor be responsible for the actions or decisions made by their replacement.

Retiree Benefits

Accepted eligible employees may elect to receive the incentive payment as employer paid premiums for retiree benefits (Life Insurance, extended health care, Dental, and Emergency Travel assistance coverage only) under the applicable Municipal Retiree Benefit Plan. For clarity, Retiree benefits do not include Optional life, Optional Spouse life, AD&D, Long Term Disability, or Short-Term Disability.

The employees eligibility for coverage and entitlement of benefits under the retiree Benefits plan will at all times be subject to the applicable terms of the Retiree Benefits plan Policy, which is subject to change at any time and without notice, including after retirement.

While the employee remains eligible for coverage under the Retire Benefits plan, the Municipality would pay the premiums for a period of Twenty Four (24) months from the employees retirement, or until the employee reaches the age of seventy (70), which ever occurs first.

The employee is to be aware that benefits coverage will not continue beyond the age of seventy (70) years.

Roles and responsibilities

To be determined between Human Resources, Chief Administrative Officer and employee.

Approval and Review

This program will be in effect on a trial basis for five years from the time of Council approval. Extension or renewal of the program beyond this period may be considered by Council after review of its effectiveness.

Appendices

To be developed- Sample Voluntary Retirement Transition Agreement

Relevance to Strategic Priorities

Strategic Pillar	Pillar #5 - A Caring Community
Goal	Goal #5.3 - Continue to Improve Equity, Diversity, and Inclusion, and Reconciliation
Key Action	Action #5.3.3 - Increase engagement with equity deserving groups including but not limited to, people with disabilities, francophones, Indigenous people, newcomers, older adults, racialized community members, rural residents, 2SLGBTQIA+, those facing socio

Options and Discussion

1. Approve the recommendation
2. Do not approve the recommendation

Financial Impact

This item has been identified in the current budget: Yes ☐ No ☐ N/A

This item is within the budgeted amount: Yes ☐ No ☐ N/A

Internal/External Consultation

Senior leadership Team and our Service Provider have been consulted in the preparation of this report.

Communications

N/A

Attachments

- None