



## PRE-RETIREMENT CONVERSATIONS

We know that over 50% of current pre-retirees are rethinking their retirement plans because of the current world we live in (e.g. volatility in financial markets, coronavirus pandemic).

We also know that half a million people in Australia intend to retire in the next five years (ABS, 2020).

This means that as a manager, it is likely that you will need to have conversations with team members about resetting their retirement plans.

Conversations might be initiated by you or an employee, or happen as part of the annual performance cycle. Whatever way the conversation comes up, the 'conversation framework' described on the following pages can help you to feel prepared and capable.

This Conversation Guide is designed to be used together with the Retirement Reset Employee Worksheet.

The purpose of a pre-retirement conversation is for you as the manager to understand where your team member is placed in their transition to retirement, and to give them a framework and tools to assist them to actively plan for a successful retirement that works (as much as possible) for both themselves and the business.

By helping them plan, you will be able to work out what your team member needs to stay engaged with their job, or begin the process of letting go of their work life and moving on to their retirement life. You'll be able to help them reset their retirement plans if they have been derailed by unexpected events or decision paralysis.

## Changed Retirement Plans

# 50%

Over half of pre-retirees are rethinking their retirement plans:

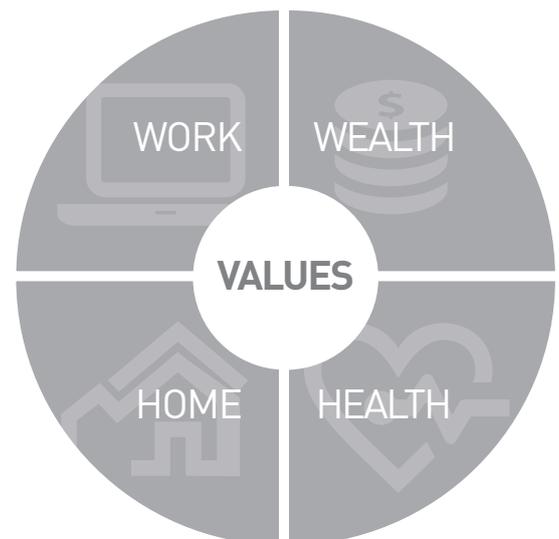


7 out of 10 are more pessimistic about their retirement plans



2 out of 10 have shifted their plans to retire later than originally planned

ALLIANCE RETIREMENT RESET TRACKER REPORT, 2020



Remember that how people see their situation—their **work** ability, their **finances**, their **family** and friends, as well as their **health**—will impact their decision making.

## 1. RECOGNISE THE SIGNS

## 2. REACH OUT

## 3. RESPOND

### 1. RECOGNISE THE SIGNS

There are a lot of factors that influence the transition to retirement—**financial** security, physical and mental **health**, **home** and social factors, and **work** situation. The changing world we live in, with the additional stress of COVID-19, means that the lead up to retirement can be complex, and getting the timing right for both the employee and the business can be challenging.

**Some team members will have clear plans** for their retirement, and can easily set a date and talk about their retirement with you. Others will be **ambivalent** about their retirement, have regrets about their career, or may start to disengage (or over-engage) with work, and have a much harder time setting a clear retirement timeframe.

**Some team members will want to retire early**, as they have home responsibilities to meet, or their priorities have changes with the pandemic. While still others will want to **stay at work for longer** because of increased uncertainty in their lives or not being able to do the things they'd planned in retirement.

**Some people experience unexpected events** as they are preparing for retirement that mean their retirement plans need to change. This could include health challenges (needing to finish work earlier than planned) or financial challenges (needing to stay in the workforce longer to build up retirement savings).

**Some people experience decision paralysis and are unable to choose between various retirement options, getting stuck in indecision.**

#### Prepare for the pre-retirement conversation by:

- Considering what your goals and expectations are for the conversation.
- Choosing your mindset (e.g. supportive, curious, a mentor, sounding board).
- Thinking about your own views and plans for retirement, and noticing that your work and retirement experiences may be very different to your team members experience.
- Practising how you will open the conversation.
- Reading and having a copy of the Retirement Reset Employee Worksheet with you.

#### Write notes or ideas for your conversation here:

### 2. REACH OUT

#### Tips for opening lines:

- Start with an observation (e.g. "You used to be really excited about your retirement, but I notice that you don't mention it anymore. Has something changed?").
- "I notice that you are really working hard to 'give back' to the team/finish that project' and I know that people might do that as they start to transition to retirement. I wonder where your thinking is on your own retirement right now?".
- Get to the point quickly; explain what you hope to achieve in this conversation (e.g. find out where they are at and help them achieve their career goals).
- Acknowledge that transitions are normal and not always easy, and that you are here to listen and help.

#### Write notes or ideas for your conversation here:

### 3. RESPOND

#### Tips on how to respond:

- The best way to listen, is to well ... listen! (Try not to talk too much, make some eye contact, and maybe ask some questions for more information and clarification).
- Keep the team member at the centre of the conversation (not the business).
- Acknowledge that the transition to retirement can be complicated, and that unexpected events and decision paralysis are normal.
- Focus on helping your team member access the tools they need to re-set their own retirement plan when they leave the meeting. Be careful not to pressure the team member to create a plan during the meeting. Plans take time to develop, they require reflection, and conversations with significant others at work and home.

#### Using the 'Employee Retirement Reset Worksheet':

- Don't ask to see their detailed reflections, simply listen respectfully if they choose to share their thoughts and feelings.
- Check to see where your team member is on their retirement journey.
- Encourage them to use some of the 'taking charge' strategies to actively plan for their successful retirement (see Employee Worksheet).
- Ask them what you can do to help.

#### You may like to explore pre-retirement with them, asking questions like:

- What supports do you need to work towards your retirement?
- Do you have the flexibility you need?
- What kind of retirement do you envisage? A gradual retirement, part-time work, moving to a second career after retirement?
- Do you feel safe and respected at work?
- Are there projects or ways of giving back that are important for you to finish before retirement?
- How happy are you with the work you do?
- Is there anything in your job that is getting harder?

Remember that by asking these questions you are not promising answers. It may be that you can meet some of your employee's needs, but not all.

**Write notes or ideas about your conversation here:**



**Try to help them work out what might help them make a decision. Do they need:**

- An action plan?
- Decision making strategies?
- Coping strategies to reduce feeling overwhelmed?
- Techniques to manage multiple transitions?
- Some self-care and wellbeing support?

## TO CLOSE THE CONVERSATION

- Confirm any follow-up actions that either of you have agreed to do.
- Schedule a follow-up meeting if that would be beneficial.
- Note that retirement is a journey, and there are ups and downs and changes along the way, and that you are here to support them as their manager to make this a successful transition.
- Since retirement is a process, there may be several meetings to support your employee up until their last work day.

Write notes or ideas about your conversation here:

## SOME COMMON TRAPS

When having the conversation with your team member, there are some common pit-falls to avoid to ensure the conversation goes as smoothly as possible.

**Avoid talking about financial security and retirement.**

Refer them to experts in this area (e.g. their superannuation fund). Try and focus on the aspects of pre-retirement that you can help with as their manager.

**Avoid any stereotypes about ageing,** and be mindful of legislation that outlines the way we need to treat older adults in the workplace.

**Avoid trying to problem-solve.** The focus is on opening-up the pre-retirement conversation, and helping the employee with some tools they can use on this journey create their own solutions.

**Consider the logistics.** Ensure you have a quiet, private location for this conversation, where you won't be interrupted. Allow enough time—rushing a pre-retirement conversation can make your team member feel unimportant.



## MANAGER RESOURCES

**Read a book on retirement by Nancy Schlossberg:**

[Revitalizing Retirement, Retire Smart Retire Happy, Retirement Planning, Overwhelmed, Getting The Most Out Of College: Transitions Through Life](#)

**Be aware of relevant legislation & organisational policies.**

**Information on retirement:**

[National Seniors Australia](#)

**Get some help for having tricky conversations:**

[Managers guide to difficult conversations in the workplace](#)

