



**KBZ BANK**

**KBZ BANK LIMITED**

**HR POLICY**

**ON**

**RETIREMENT**

**HUMAN RESOURCE DEPARTMENT  
SEPTEMBER 2020**

# KBZ BANK

## RETIREMENT POLICY

### A. Objective

When staff reach a certain age in their life, most of them would start to plan about retiring from a busy work life and place more attention and concentration in religion in future. To support this, the Retirement policy will be introduced.

### B. Scope

This policy is applicable to all permanent confirmed staff.

### C. Policy

- The official retirement age of employees is 60 years.
- An employee who reaches the age of 60 years will be retired at the end of the month in which employee reaches the age of 60 years.
- 6. The company retains that prerogative and discretion to continue the service of selected employees after the age of 60 years.
- All employees who are due for retirement shall be eligible for retirement benefit which is the same as severance pay according to existing labour law.
- The company has the prerogative to retire an employee earlier than age of 60 and the employee will be assumed as early retired. Early retirement benefits will be the same as severance pay according to existing labour law.
- Retirement benefit is as per below according to existing labour law.

Sr.	Service Years	Retirement Benefit
1	6 months to < 1 year	0.5 months
2	1 year to < 2 years	1.0 month
3	2 years to < 3 years	1.5 months
4	3 years to < 4 years	3.0 months
5	4 years to < 6 years	4.0 months
6	6 years to < 8years	5.0 months
7	8 years to < 10 years	6.0 months
8	10 years to < 20 years	8.0 months
9	20 years to < 25 years	10.0 months
10	>25 years	13.0 months

For those who are eligible, the Special Gratuity Scheme as stated in HRD-13/1983 (Notification: Granting of gratuity) will be applicable. For those who are not eligible for the Special Gratuity Scheme, they shall receive any benefits upon their retirement in accordance with current labour law.

The management reserves the right to review or terminate this policy any time it deems appropriate and employees will be notified accordingly.

#### **D. Procedure**

The Human Resource department will inform the respective Dy-CEO through the function head/VCGM of the employee's retirement six months before his/her retirement age of 60 years.

If the function head/VCGM would like to recommend extension of his/her service after retirement, the function head/VCGM has to justify the case for extension. The final decision will be made by the CEO or Dy-CEO.

The Human Resource department will officially notify employees of their impending retirement according to management's decision and give retirement counseling as necessary.

#### **E. Extension of Employment After Retirement**

The continuation of services for employees after the age of 60 years will be done after the employee retires officially. The extension of employment will be on yearly contract basis which may or may not be renewed for a further one year subject to company's need, employee's performance, medical fitness etc with mutual agreement between the Company and the employee.

Regular review of this policy is conducted by our Board to ensure they remain timely and relevant. Our most recent review was completed and approved by the Board on 02 September 2020.