



# Compulsory Retirement and Pensions in the Public Service

## FREQUENTLY ASKED QUESTIONS

### Q1. What is the age of compulsory retirement from the Public Service?

A. The Retirement Age Act increased the compulsory retirement age from 60 to 65 years of age.

### Q2. I have 25 years of service. Do I have to wait until age 65 to retire?

A. No. An officer who has 25 or more years of full-time continuous service may apply to retire based on his/her years of service.

### Q3. If I am eligible to retire and wish to elect to defer my retirement what should I do?

A. An officer who is eligible to retire based on years of service or age, who wishes to continue to work must complete the Retirement Notice Form. Each request will be thoroughly considered by the relevant authorities and the decision communicated in writing to the officer.

### Q4. What pension options do I have when I retire?

A. When you retire, there are a couple of ways to receive your pension. The two options are: 1. Full Pension – the full 100% of your monthly pension income, or 2. Reduced Pension – which includes a lump sum cash gratuity amounting to about 25% of your pension and a reduced monthly pension income amounting to about 75% of your pension.

### Q5. How do I apply for retirement?

A. Officers may apply to retire from the public service by completing the Retirement Notice Form. Officers should apply for retirement a minimum of six months to one year in advance of his/her effective date of retirement.

### Q6. What is a defined benefits pension?

A. A defined benefits pension scheme is a type of workplace pension that is usually offered to persons working in the public sector that provides officers with an income for life after he/she retires. The monthly pension income is based on how many years are worked and the officer's annual salary.

### Q7. I am 65 years of age but I would like to defer my retirement to a later date. Is this possible?

A. You may request to defer your retirement past age 65, which must be supported by evidence of physical fitness and on the recommendation of your Department/Ministry Head to the Director of Human Resources for the approval of the Governor.

### Q8. If I am retired, can I be rehired in the Public Service?

A. Yes, but there will need to be a break in service of at least two (2) years before a retired officer is re-engaged. In such circumstances, you will be re-engaged on an appropriate new contract.

### Q9. If rehired as a retiree will I continue to receive a pension in addition to a salary?

A. If rehired your pension will be suspended in accordance with Section 11(1)(2) of the Pension Amendment Act. Your pension will resume once your temporary appointment has ended. Additional time served will not be added to your pension.

### Q10. A permanent and pensionable officer is entitled to a pension after 10 years of service. Can a permanent and pensionable officer elect to retire after 10 years of service?

A. An officer who has served for 10 years or more may be granted a pension on retirement. (Cap 161 Regulations Section 4) Retirement is permitted after 25 years of service or on or after attaining age 65. (Section 6 Pension Act, Cap 161 & Retirement Age Act, 2016 Section 3)

### Q11. What is the Government's maximum pension?

A. More years of service does not necessarily equate to a substantial change in pension. The maximum pension paid by Government is capped at two-thirds of your last salary on attaining 33<sup>1/3</sup> years of service. (Pension Act Cap 161 Sect 9) Refer to sample calculations attached.

### Q12. If retired on medical grounds how will my retirement benefits be determined?

A. An officer holding a pensionable office who has been retired on medical grounds and has been in service for more than ten years but less than twenty years, may be retired on granted a pension as if his or her pensionable service had been twenty years. (Section 10 Pensions Amendment Act, 2015) If less than 10 years of pensionable service, the officer will receive a gratuity. (Section 5 Pensions Regulations Cap 161)

### Q13. Am I entitled to a retirement benefit as a non-established or temporary employee?

A. Yes. A non-established or temporary employee who attain age 65 and have at least seven (7) years of service you are eligible to receive a one-time lump sum payment.



Department of  
Human Resources

For more information about the Retirement Age Act and Pension Amendment Act:  
Contact the Department of Human Resources at:  
Phone: (284) 468-2178  
HR Manager Email: [lidonovan@gov.vg](mailto:lidonovan@gov.vg)  
HRD Email: [hredbvi@gov.vg](mailto:hredbvi@gov.vg)  
Website: [www.bvi.gov.vg](http://www.bvi.gov.vg)

# Sample Pension Calculations

## Retirement Pension Options



### Pension Calculation

25 years of service

Janet has 25 years of service

Her annual salary is \$40,000

**Full Pension Option**  
\$20,000.00 per annum or \$1,667.67 per month

**Reduced Pension + Gratuity**  
\$62,500.00 one-time lump sum gratuity  
\$15,000 per annum or \$1,250.00 per month

1

Full Pension Computation Formula = Annual Salary X Years of Service in months

\$40,000 x 300 months = \$20,000.00 per annum or \$1,667.67 per month

2

Reduced Pension Computation Formula =  $\frac{3}{4} \times \text{Annual Pension}$       $\frac{3}{4} \times \$20,000.00 = \$15,000.00$  per annum or \$1,250.00 per month

Gratuity Computation Formula =  $(\text{Annual Pension} - \text{Reduced Pension}) \times 25 / 2$       $\$20,000 - \$15,000 = \frac{\$5,000 \times 25}{2} = \$62,500.00$  One-time lump sum payment

## Retirement Pension Options



### Pension Calculation with Max. Benefit

33 1/3 years of service

Mark has 34 years of service

His annual salary is \$40,000

**Full Pension Option**  
\$26,667.67 per annum or \$2,222.22 per month

**Reduced Pension + Gratuity**  
\$83,333.33 one-time lump sum gratuity  
\$20,000 per annum or \$1,666.67 per month

1

Max. Pension Computation Formula =  $\frac{2}{3} \times \text{Annual Salary}$

$\frac{2}{3} \times \$40,000 = \$26,666.67$  per annum or \$2,222.22 per month

2

Reduced Pension Computation Formula =  $\frac{3}{4} \times \text{Annual Pension}$       $\frac{3}{4} \times \$26,666.67.00 = \$20,000$  per month or \$1,666.67 per month

Gratuity Computation Formula =  $(\text{Annual Pension} - \text{Reduced Pension}) \times 25 / 2$       $\$26,666.67 - \$20,000 = \frac{\$6,666.67 \times 25}{2} = \$83,333.33$  One-time lump sum payment