



# Status of Retired Employees of Civil Service Attending Pension Management Office, Kathmandu, Nepal

Achyut Bikram Hamal\*, Arjun B Hamal, Jharana Shah

Department of Internal Medicine, Nepal Police Hospital, Kathmandu, Nepal

## ABSTRACT

**Introduction:** The retirement decision usually occurs late in life in case of government employees and can significantly affect an individual's well-being for many years. There are many reasons and issues for retirement decision for a government official. Financial and health concerns are a major part of the retirement decision but there are other issues that bring about the retirement decision that are unrelated to an individual's financial and health status. In Nepal majority of government workers have compulsory retirement due to age concern.

**Methodology:** A descriptive cross-sectional research methodology was used in this study.

**Results:** About 85% of the retired employees attending pension management office were male which was due to absence of female inclusiveness in employment before 2006. Most of them (57.1%) of the retired employees had no extra household income other than the pension and they had to depend upon the pension they receive. There were several reasons for the retirement. The most common reason for being retired was the compulsory retirement which was followed by the reasons of poor health and family problems each counting about 14.2%. Most of the retired employees *i.e.*, 48.5% rated the retirement program as fair and about 42% rated it as poor.

**Conclusion:** Thus, it is necessary to have a scientific evaluation of the concepts of retirement and the amendments in the existing policies for the welfare of the nation and the public. Preserving the skilled and productive manpower in civil service is equally important as the nation has greater effort in building them up in terms of career and capacity.

**Keywords:** Pension; Retirement; Retired employees; Research methodology

## INTRODUCTION

Retiring means exiting from the long journey of work and at the same time claiming the social welfare benefits. In groundwork process of planning, age can be a guide for pre-retirees and individual that lead to attitude and perception changes on retirement. It also helps to increase the confidence of retirees and individuals.

Among the factors related to retirement planning plans, age, education level, gender and household income are characterized as important demographic factors toward individual retirement preparation. A study done in employees of health sector of Malaysia, it was found that age, income and educational status

had significantly affected the retirement planning while there was no difference in relation to gender.

In general, there are also extensive studies on retirement covering education level. The findings suggest that education level is one of important factors affecting retirement planning preparation. Income is important in the sense that enough money or wealth resources are needed in order to make retirement preparation work [1].

### Statement of the problem

In Nepal, most of the civil servants get compulsorily retired at the age of 58 except the technical employees who usually get retired only after 60.

**Correspondence to:** Achyut Bikram Hamal, Department of Internal Medicine, Nepal Police Hospital, Kathmandu, Nepal; E-mail: abhamal@gmail.com

**Received:** 13-Aug-2019, Manuscript No. RPAM-24-1162; **Editor assigned:** 16-Aug-2019, PreQC No. RPAM-24-1162 (PQ); **Reviewed:** 30-Aug-2019, QC No. RPAM-24-1162; **Revised:** 16-Aug-2024, Manuscript No. RPAM-24-1162 (R); **Published:** 13-Sep-2024, DOI: 10.35248/2315-7844.24.12.471

**Citation:** Hamal AB, Hamal AB, Shah J (2024) Status of Retired Employees of Civil Service Attending Pension Management Office, Kathmandu, Nepal. *Review Pub Administration Manag.* 12:471.

**Copyright:** © 2024 Hamal AB, et al. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

Since the life expectancy in Nepalese population has increased as compared to the previous years. Life expectancy in Nepal reached 72 years for women and 69 years for men in 2013. This is an increase of 12 years over the last two decades—a rate, double the global average. Nepal was ranked among the top 10 best performers. As the life expectancy increases the state will expect the experienced and the trained employees to be actively involved in making the policies and plans for better service delivery to the public. At the same time the retirement of the inefficient and aged manpower should be replaced by energetic and active employees. Therefore, the retirement age also should match the life expectancy.

There can be different questions that can be generated about the retired employees. Some of them may include:

- What is the educational status of civil servants being retired?
- What is the household income of retired employees?
- What is the perception of retired employee towards retirement?
- What is the living standard of the retired employee after retirement?

This study will help to assess the answers to such questions and will help to improve the policies of retirement and the necessities to address them.

### Objectives

- To analyze the status of the employees being retired.
- To find out the perception of the retired employees towards retirement [2].

### Significance of the study

Retirement is an excitement as well as a condition of accomplishment of the work by an employee towards the nation. Any employee retiring has a plan for his/her rest of the life. The unplanned and inappropriate action for the decision of retirement is governed by a number of factors such as age, education income and the attitude of the employees towards the retirement.

In Nepal many of the times the employees decide to retire due to various factors that ranges from a transfer to remote areas to impulsive decision after the inconvenience to continue the work in the changing environment. There is an ongoing debate about the extension of age limit for the compulsory retirement due to the improved health status and the need of experienced employees in the civil service. The desire to serve the nation by the experienced employees and the recruitment of younger generation in civil service must be equally respected [3].

Social security is also an important aspect for the employees being retired. During their working phase, individuals pay a social security tax each period. One of the primary objectives of social security is to replace income during retirement. In so doing, social security benefits supplement and partially substitute for prior savings. The presence of these benefits is therefore expected to affect individuals' decisions concerning consumption, savings and labor supply, including the choice of retirement age. The purpose of the present paper is to focus on

the potential inducement to retire earlier in the presence of social security and on the implied effects on lifetime savings.

Besides, skills and knowledge may influence early retirement. Provision of and participation in education and training was associated with reductions in intention to retire early and actual retirement behavior. Persons with a higher focus on development of knowledge and skills also appeared less likely to retire.

## MATERIALS AND METHODS

### Research design

A descriptive cross-sectional research methodology was used in this study.

### Rationale of site selection

Pension management office, Teku, Kathmandu was selected as the site because all the government employees being retired finally attend this office to make their documents for pension [4].

### Population of the study

The retired government employees from civil service were taken as the population of the study. Among them those attending the pension management office, Kathmandu were taken. The civil servants were taken as the population because they have uniform criteria of retirement as compared to other services such as army or police.

### Sample size

Retired civil service employees attending pension management office, Kathmandu were taken. Total number of retired civil employees were 130 however only 105 gave the consent and responded.

### Sampling technique

All the retired civil service employees who attend to make the pension documents in the pension management office were enrolled in this study. The employees giving consent were considered.

### Inclusion criteria

- Retired employees of civil service were taken.
- Retired employees giving consent were taken.
- Those attending the pension management office were included.

### Exclusion criteria

- Those not willing to take part in study were excluded.
- Retired employees from other sectors such as police army and education were excluded [5].

## RESULTS AND DISCUSSION

### Data collection procedure

The employees were informed about the purpose of the study and the verbal consent was taken. They were asked about their details and to fill up the questionnaires prepared to assess their profile and their perceptions towards retirement.

### Limitations of the study

- It is a small-scale study.
- Other retired government employees from education, police, army and public enterprises were not included.

**Table 1:** Gender.

Gender	Number of retired employees	Percentage
Male	90	85.70%
Female	15	14.30%

Most retirees had education of only PCL level *i.e.*, 52.3% and 22% of them were below or equal to SLC level education.

- The distribution of the retired employees from civil service in may not be comparable to even throughout the year.

### Demographic profile

In this study, the total number of retired civil servants was 130, however only 105 retirees preferred to respond to the questionnaires after giving verbal consent. Among them there were 90 males (85.7%) and 15 (14.3%) were females. The predominant population was male as there was the provision of the inclusion of women since 2007. Among the females most of them were non-gazetted and classless (Table 1).

There were 16.2% retirees graduates and about 9.5% had master level education (Table 2).

**Table 2:** Education level.

Education	Number of retired employees	Percentage
Below and SLC	23	22%
PCL	55	52.30%
Bachelor level	17	16.20%
Masters and above	10	9.50%

About fifty seven percent of the retired employees had no extra household income other than the pension. About 19% and 17.2% of them had extra household income of about less than

5000 rupees and 5000-10000 respectively while total of 7 retirees had household income of more than 10000 rupees per month (Table 3).

**Table 3:** Household income.

Income (NRs)	Number of retired employees	Percentage
No extra income	60	57.10%
Less than 5000	20	19%
5000 to 10000	18	17.20%
More than 10000	7	6.70%

About the marital status, there were 90.5% married and 1.9% were living as single. Similarly, the percentages of widowed and

divorced were 4.8% and 2.8% respectively (Table 4) [6].

**Table 4:** Marital status.

Marital status	Number of retired employees	Percentage
Married	95	90.50%
Single	2	1.90%
Widowed	5	4.80%
Divorced	3	2.80%
Separated	0	0

It was seen that 57.1% of the retired employees had served the nation for 20-25 yrs duration; about 32.4% of them had served the nation for 26-30 yrs duration while 10.5% (11) of them had served for more than 30 yrs (Table 5).

**Table 5:** Years of service.

Total years	Number of retired employees	Percentage
20-25 yrs	60	57.10%
26-30 yrs	34	32.40%
>30 yrs	11	10.50%

Similarly, the most of the employees *i.e.*, 70% were nongazetted employees and 16% of them were gazetted officers followed by classless *i.e.*, 14% of the total employees retired (Table 6) [7].

**Table 6:** Levels at the time of retirement.

Levels during retirement	Number of retired employees	Percentage
Gazetted	17	16%
Non gazetted	73	70%
Classless	15	14%

**Perception of retired employees towards retirement**

On the assessment of the perception of the retired employees, most of them *i.e.*, 40 (38.1%) were not at all satisfied about the

retirement program while 29 (27.6%) were somewhat satisfied followed by 25 (23.8%) of them very satisfied while 11 (10.5%) of them were undecided (Table 7).

**Table 7:** Satisfaction with the retirement program.

Satisfaction with the retirement program	Number of retired employees	Percentage
Very satisfied	25	23.80%
Somewhat satisfied	29	27.60%
Not at all satisfied	40	38.10%
Don't know	11	10.50%

About the knowledge of the details of the retirement program, 38 (36.2%) of them were very well known; 47 (44.8%) were

somewhat known and 20 (19%) were ignorant about the details about the retirement (Table 8) [8].

**Table 8:** Details of retirement known.

Details of retirement known	Number of retired employees	Percentage
Very well known	38	36.20%
Somewhat known	47	44.80%
Don't know	20	19%

There were several reasons for the retirement. The most common reason for being retired was the compulsory retirement which was followed by the reasons of poor health and family problems each counting about 14.2%.

About 2.9% chose retirement for the alternative opportunities and 2% had increased workload (Table 9).

**Table 9:** Reasons for retirement.

Reasons for retirement	Number of retired employees	Percentage
Compulsory retirement	70	66.70%
Workload	2	2%
Poor health	15	14.20%
Family problems	15	14.20%
Alternative opportunities	3	2.90%

Most of the retired employees *i.e.*, 48.5% rated the retirement program as fair and about 42% rated it as poor while only 9.5%

of them rated it as good (Table 10) [9].

**Table 10:** Rating of retirement program of Nepal.

Rating of retirement program	Number of retired employees	Percentage
Excellent	0	0
Good	10	9.50%
Fair	51	48.50%
Poor	44	42%
Don't know	0	0

Most of the retired employees *i.e.*, 80 (76.2%) felt that the money received from the retirement would be very important

while 25 (23.8%) of them felt it to be somewhat important (Table 11).

**Table 11:** Importance of money from retirement.

Importance of money from retirement	Number of retired employees	Percentage
Very important	80	76.20%
Somewhat important	25	23.80%
Not at all important	0	0
Don't know	0	0

On assessing the rating of standard of living now by themselves, 90 (85.7%) of them felt that it was same as before retirement while 10 (9.5%) of them were undecided followed by the claim

of 5 (4.8%) of them as their living standard better than that of before (Table 12) [10].

**Table 12:** Rating of standard of living now.

Rating of standard of living now	Number of retired employees	Percentage
Better than before retirement	5	4.80%
Same as before retirement	90	85.70%
Worse than before retirement	0	0
Don't know	10	9.50%

## CONCLUSION

About 85% of the retired employees attending pension management office were male predominantly which contrasts with the study done in Malaysia where the female predominated *i.e.*, 55%. Only 16.2% retirees graduate and about 9.5% had master level education and most of them had proficiency certificate level education.

Most of them (57.1%) of the retired employees had no extra household income other than the pension and they had to depend upon the pension they receive. About the marital status, there were 90.5% married which is higher than that of the study done in health employees in Malaysia *i.e.*, 72%.

It was seen that 57.1% of the retired employees had served the nation for 20-25 yrs duration; about 32.4% of them had served the nation for 26-30 yrs duration while 10.5% of them had served for more than 30 yrs. This indicates that the country loses most of the skilled employees within 25 yrs. So, this means either there is less satisfaction among the government employees or the entry of individuals in government service is late.

On the assessment of the perception of the retired employees, most of them *i.e.*, 40 (38.1%) were not at all satisfied about the retirement program. About the knowledge of the details of the retirement program, 38 (36.2%) of them were very well known; 47 (44.8%) were somewhat known and 20 (19%) were ignorant about the details about the retirement.

There were several reasons for the retirement. The most common reason for being retired was the compulsory retirement which was followed by the reasons of poor health and family problems each counting about 14.2%. Most of the retired employees *i.e.*, 48.5% rated the retirement program as fair and about 42% rated it as poor.

Most of the retired employees *i.e.*, 80 (76.2%) felt that the money received from the retirement would be very important. On rating of standard of living by themselves, 90 (85.7%) of them felt that it was same as before retirement.

As the life expectancy of people of Nepal is increasing the compulsory retirement age limit may be increased in order to

decrease the expenditure of the country by using the skilled manpower for longer duration. The increased cost of living in Nepal always make the retirees dissatisfied about the pension amount they receive as most other family members are dependent on them.

## REFERENCES

1. de Wind A, Geuskens GA, Ybema JF, Bongers PM, van der Beek AJ. The role of ability, motivation and opportunity to work in the transition from work to early retirement-testing and optimizing the early retirement model. *Scand J Work Environ Health*. 2015;24:35.
2. Beehr TA, Glazer S, Nielson NL, Farmer SJ. Work and nonwork predictors of employees' retirement ages. *J Vocat Behav*. 2000;57(2):206-225.
3. Bernheim BD. A theory of conformity. *J Political Econ*. 1994;102(5):841-877.
4. Bidewell J, Griffin B, Hesketh B. Timing of retirement: Including a delay discounting perspective in retirement models. *J Vocat Behav*. 2006;68(2):368-387.
5. Aboyans V. Global, regional and national age-sex specific all-cause and cause-specific mortality for 240 causes of death, 1990-2013: A systematic analysis for the global burden of disease study 2013. *Lancet*. 2015;385(9963):117-171.
6. Christie AM, Barling J. Disentangling the indirect links between socioeconomic status and health: The dynamic roles of work stressors and personal control. *J App Psychol*. 2009;94(6):1466.
7. DeVaney SA. Retirement preparation of older and younger baby boomers. *J Financial Counsel Plan*. 1995;6:25.
8. Damman M, Henkens K, Kalmijn M. The impact of midlife educational, work, health and family experiences on men's early retirement. *J Gerontol B Psychol Sci Soc Sci*. 2011;66(5):617-627.
9. de Wind A, Geuskens GA, Ybema JF, Blatter BM, Burdorf A, Bongers PM, et al. Health, job characteristics, skills and social and financial factors in relation to early retirement-results from a longitudinal study in the Netherlands. *Scand J Work Environ Health*. 2014:186-194.
10. Grable JE. Financial risk tolerance and additional factors that affect risk taking in everyday money matters. *J Buss Psychol*. 2000;14:625-630.