AGM 2025: Explanatory Note to the Resolution to implement a lifetime subscription with effect from 1 January 2027

Background

In recent years, Council has debated ICAS' approach to retired members, with particular focus on whether they should be obliged to pay an annual subscription fee. Prior to 1 January 2024, all members were moved to a retired waiver at the age of 65, regardless of whether they continued to work.

In September 2023 Council agreed that General Regulation 3.1 should be amended so that the retirement age matches the UK state pension age, which meant an initial increase from 65 to 66 years, effective as of 1 January 2024. Council also agreed that going forward the ICAS retirement age would be aligned to the UK state retirement age.

After that decision and following communication to all members, Council agreed at its December 2023 meeting to waive the retired fee for some 200 members who were due to pay from 1 January 2024 and defer the implementation of the new retirement age to 1 January 2025. This was to allow members more time to prepare for the change.

In addition to increasing the age at which ICAS deems members to be retired, Council has also directed the ICAS Executive Management to present proposals for a retirement fee to be applied to retired members.

Context

ICAS has approximately 4,000 retired members, with around approx. 300 being granted a waiver at 66 each year.

A fully retired member (on a free waiver from age 66) currently receives and is entitled to the same benefits and services as fully paid members.

Implementation of a retired membership subscription and a lifetime subscription

In a paper presented to Council in March 2024, the ICAS Executive Management recommended the implementation of a retired membership subscription and the creation of a lifetime subscription, both with effect from 1 January 2027.

Council, by a majority vote, approved the recommendation confirming that, subject to the vote of members at a General Meeting, it should apply to all members (excluding those who currently have a waiver applied) who are eligible to retire from 1 January 2027 and that:

1. any waivers would continue to be applied to individual members depending on their circumstances (career break; medical grounds; financial hardship etc)
2. the annual retirement subscription be applied to members who retire early (and who are fully retired) and who would have applied for a reduced waiver, will depending on income level, automatically move to the retired subscription (if their income is above the minimum income standard set by the Joseph Rowntree Foundation each year) or, if below the income standard, would move to the lower income retired subscription (likely to be half of the retired subscription). Members who retire early will need to continue to pay the retired subscription until they reach the UK state retirement age when they can opt to continue to pay the retired subscription or switch to the lifetime fee.

3. as with other rates of subscriptions, the retired membership subscription and the lifetime subscription be set by Council (which would be set at a discount to the full subscription) and any YoY % increase is linked to the member subscription and other fee % increase discussions.

The retired fee will not be applied retrospectively and will only apply to those who retire in the year of implementation and thereafter.

Implementation timeline

- 1 Jan 2025 – retirement age moves to 66 years old (already agreed and communicated) and will move annually with the UK state retirement age – likely to be moved by 2028 to 67 for all men and women
- 1 Jan 2027 – implementation of an annual retired subscription from 67 years old with option to pay a lifetime subscription

Amendments to the ICAS General Regulations

Any consequential changes which may be required to the ICAS General Regulations will be considered by the Constitutional Panel and a recommendation made to Council should changes be recommended.