

HUMAN RESOURCES STRATEGIC FORUM**DISCUSSION – WHAT WILL BE THE IMPACT OF THE REMOVAL OF THE CURRENT DEFAULT RETIREMENT AGE (DRA) OF 65?**

The Government proposes to phase out the DRA from 6 April 2011. In removing the DRA, the Government intends also to remove all associated statutory retirement procedures, including the duty on employers to give a minimum of six months' notice of retirement to employees and the right for employees to request to work beyond their retirement age.

Although the Government is proposing to remove the DRA, it will still be possible for individual employers to operate a compulsory retirement age, provided that they can objectively justify it. This is looking like a very complex piece of employment law to interpret and apply.

To objectively and reasonably justify a DRA there needs to be a legitimate aim. Employers would have to demonstrate that what they are doing is actually achieving the aim and any discriminatory effect is significantly outweighed by the importance and benefits of the aim.

The employer should have no reasonable alternative to the action they are taking. If the legitimate aim can be achieved by another or less discriminatory means, they must then opt for that route.

A legitimate aim would be based on economic factors such as the needs of and the efficiency of running a business, the health, welfare and safety of the individual (including protection of young people or older workers) and the particular training requirements of the job.

There is a whole raft of questions that arise from this including:-

- What are peoples retirement aspirations and will this significantly change anything?
- How can we plan ahead with the uncertainty of how long people will stay on for.
- Will there be justifiable exceptions and what will those exceptions be?
- What about ill health or declining performance and what will be the impact on those who are now dismissed, rather than being allowed to retire with dignity?
- What impact will there be on succession planning and career aspirations due to people staying longer in their roles.
- Will turnover increase among those people who have the talent to progress to senior positions?
- Will we see more death in service and will this put additional strain on colleagues and the pension fund?

We have been operating a policy that allows staff to request to work beyond the current DRA of 65 that recognises the precious skills and knowledge of older staff that can often be lost on retirement.

It would not seem appropriate therefore to go along the route of applying a blanket DRA.

We may want to consider including in our policy a legitimate aim to impose a DRA for certain roles to allow a flow of career development to continue.

We might consider a policy to allow people ease into retirement by redeploying them or reducing their hours much in the same way our current policy works.

We are planning to contact other councils to see what policies have already been created and how they are addressing the issues raised in this discussion paper.