

Wales Council for Voluntary Action

Supporting charities, volunteers and communities

6. Employing and managing people

6.17 Retirement policy



The introduction of the Employment Equalities (Age) Regulations 2006 introduced new requirements to retirement procedures, enabling a constructive dialogue between employees who want to continue working after retirement, and their employers.

The regulations state that an employer cannot retire employees below default retirement age of 65, unless it can be objectively justified. The regulations also allows the employees a right to request to work beyond retirement and the employer has a duty to give consideration to all such requests. However there is no obligation upon the employer to agree to such requests.

The following is an example of a Retirement policy which is provided for guidance only. It should not be regarded as an authoritative statement of the law and should be adapted to suit your own organisation.

Example policy

1. Introduction and aims of the policy

<Name of organisation> recognises that retirement involves a significant change in an individual's lifestyle and requires planning on the part of the individual.

The aims of the Retirement policy and retirement procedure are:

- 1 To ensure that employees make the transition from work to retirement as smoothly as possible.
- 2 To enable employees to leave <Name of organisation> with dignity and respect.
- 3 To help maintain good workplace relationships with other employees; and
- 4 To comply with the Employment Equality (Age) Regulations 2006 which came into force on 1 October 2006.

2. Retirement Age

<Name of organisation's> normal retirement age is 65. In normal circumstances, <Name of organisation> requires all employees to retire upon reaching the age of 65. (NB is worth noting that there is no obligation to set a normal retirement age, providing that it is above 65 years)

At the discretion of <Name of organisation>, employees may be allowed to remain in employment beyond the age of 65. Each case will be considered by <Name of organisation> on an individual basis and in compliance with <Name of organisation's> Retirement procedure.

The benefits to *<Name of organisation>* upon granting an extension would include:

- 1 Retaining the valuable experience and knowledge of the employee.
- 2 Savings to *<Name of organisation>* in recruitment and training costs.

Procedure

<Name of organisation> shall write to the employee notifying him/her of his/her intended date of retirement. (i.e. the date of his/her 65th birthday or shortly after his/her 65th birthday where this falls on a Saturday or a Sunday). *<Name of organisation>* will do this not less than 6 months and not more than 12 months before that date.

At the same time *<Name of organisation>* shall inform the employee of his/her right to make a written request to *<Name of organisation>* to work beyond the intended retirement date.

Working beyond retirement age

Where an employee wishes to work beyond retirement age, or beyond their 'new' retirement date, they must make a written request to continue working beyond the intended date of retirement. The employee must make his/her written request not less than 3 months and not more than 6 months before the intended date of retirement. In that request the employee must request that his/her employment should continue either:

- indefinitely;
- for a stated period; or

- until a stated date.

An employee is only entitled to make one such request per intended date of retirement.

Duty to consider

Where a written request is received by *<Name of organisation>*, it shall consider the employee's request.

Having considered the employee's request, the *<Insert who>* may write to the employee, as soon as it is practicable, to confirm the decision to hold a meeting to discuss his/her request to work beyond the intended date of retirement.

The employee is entitled to be accompanied to such meeting by a colleague of his/her choice.

Following this meeting the *<Insert whom>* may choose to:

- 1 accept the employee's request in part, state the new employment proposal and state the new intended date of retirement; or
- 2 refuse the employee's request and confirm when the employee is to retire.

The *<insert who>* will also advise the employee of his/her right of appeal against the decision.

Appeal procedure

The employee has a right of appeal against *<Name of organisation's>* decision not to permit the employee to work beyond his/her intended

retirement, or against *<Name of organisation>* decision to accept the employee's request to work beyond the intended date of retirement, but for a shorter period than the employee requested.

The employee must give written notice of the appeal to the *<insert to who>* setting out the grounds of the appeal within 5 days of receiving notification of the decision.

Upon receipt of an employee's notice of appeal, *<insert who>* shall write to the employee within a reasonable period to arrange a meeting, which will enable the nominated person and the employee to discuss the employee's appeal.

The employee is entitled to be accompanied to such meeting by a colleague of his/her choice.

If the employee does appeal, the appeal meeting can be held after the retirement has taken effect.

Having considered the employee's appeal *<Name of organisation>* will give written notice of its decision to the employee as soon as is reasonably practicable. The *<nominated person>* may:

- 1 choose to accept the employee's appeal and state a new intended date of retirement;

- 2 accept the employee's appeal in part, state the new employment proposal and the new intended date of retirement; or
- 3 refuse the employee's appeal and confirm when the employee is to retire.

Should *<Name of organisation>* decide not to permit the employee to continue working beyond his/her intended retirement date; the employee will be dismissed by reason of retirement on his/her intended date of retirement.

The decision of the appeal is final.

Further Information

ACAS
Tel: 08457 474747
www.acas.org.uk

Age Positive
Tel: 0113 232 4444
www.agepositive.gov.uk

Disclaimer

The information provided in this sheet is intended for guidance only. It is not a substitute for professional advice and we cannot accept any responsibility for loss occasioned as a result of any person acting or refraining from acting upon it.

For further information contact

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