

## The Way We Used to Live...

It used to be an ambition for a man or woman to retire by the age of 50, or even 45, and to live out the remainder of their years doing what pleased them, perhaps travelling, playing golf, painting... In the coming years, workers will be counting themselves lucky if they have the opportunity to lay down tools before they reach the age of 65.

According to the Office for National Statistics, the average age at which men retired fell gradually between the 1950s and the mid-1990s, but began to rise from 2002. The average age at which men retire continues to rise and has now reached almost 65. It is most likely that workers are choosing to extend their working life in response to increasing life expectancy and pressures on the adequacy of their pension entitlements. The ONS points out that "retirement" does not always refer to a conscious decision to stop working, but can also be brought about by a lack of suitable work or ill-health.

Employing an older member of staff has great advantages, not least the wealth and breadth of life and business experience that they can bring to your business. Communicating politely and helpfully with your customers is important in times of economic downturn when customer service counts for so much. If your organisation is involved in speaking directly with customers for example, it's a well-known fact that individuals are often more satisfied and reassured when they receive

## Training offer reminder

Don't forget our ongoing offer for training- book two places on any of Pinnacle's development courses and pay only half the price for the second!

Just visit our website at [www.pds-hr.com](http://www.pds-hr.com) for more details, call us now on 0800 907 1015 or email [contact@pds-hr.com](mailto:contact@pds-hr.com).

## Is the UK Retirement Age 'legitimate'?

This is the 50-billion dollar question being asked of the High Court in the UK by the European Court of Justice, following their review of a case brought by Age Concern. The case questioned whether the opportunity for an employer to force a British worker to retire when they reach the age of 65 was

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advice over the telephone from a more mature staff member.

Employing older workers requires an awareness of the Employment Equality (Age) Regulations 2006 which gives employees protection against discrimination on the grounds of age. The working population is ageing and currently 20 million workers are aged 50+. Increased life expectancy and dwindling pension funds mean people are working longer than in previous years. To ensure you are giving fair treatment and opportunity to all your employees, please contact Pinnacle Development Solutions on 0800 907 1015 or by email at [contact@pds-hr.com](mailto:contact@pds-hr.com).



"was in breach of the EU's Equal Treatment at Work Directive".

As the number of people reaching pensionable age grows, there are less private pension plan and state funds to go round. As you may already

be aware, the number of pensioners in Britain is set to increase by 50 per cent by 2050. Research shows that some 10 million are simply not saving enough for their retirement, which will put immense strain on the public purse. Many European countries have already raised or have announced plans to raise their national age of retirement; Italy increased theirs by three years to 60, Belgium will add two to make 60, while the US and Germany plan to boost theirs to 67.

Under current UK government policy, the state pension age for women will gradually rise from 60 to 65 between 2010 and 2020, and then between 2024 and 2046 it will rise further for both sexes to age 68.

That said, however, employers received some bittersweet good news last month in relation to employing older workers, with the European Court of Justice ruling that it is legal for an employer to force an employee to retire on their 65th birthday without redundancy payments if there was a legitimate aim relating to employment and social policy. The case, brought by Age Concern, as now been passed back to The High Court where

## Treat Retirement with Respect

First and foremost, it must be stated that retirement is a complex issue and must not be treated lightly. Since the Age Concern case has not yet changed anything legally in the UK, there is a certain procedure that must be followed:

1. Follow the legal procedure, or at least ensure that your own company procedure complies with the law as it stands at present
2. Ensure that you can have a clear and reasonable justification for your “normal retirement age”.
3. If you wish to retire an individual, ensure you start the process a year in advance, and at least 6 months before that individual’s “normal retirement age”. Failure to do so may result in you having to pay compensation for late notification.
4. Ensure you inform the individual of their right to request to work beyond the proposed retirement date
5. If they choose to exercise this right, you should then meet with them and discuss their request, and then make your decision.
6. Ensure you give the individual the right to appeal your decision.

Failing to follow a legal procedure or to provide a clear and reasonable justification for your organisation’s “normal retirement age” may

the case first appeared, which now has the task of deciding whether the aims of the government’s retirement age of 65 are “legitimate”.

The government’s defence is that existing employment equality regulations do give employees the right to formally request to carry on working beyond 65, and it is this law that is currently being examined and could potentially be relaxed in 2011. Age Concern argues that mandatory retirement ages are unfair and the government should act to abolish them as soon as possible as they prevent older British workers from being “judged on their skills and abilities rather than their age.” This is especially poignant in the current recession where many older workers need to continue to work in order to manage financially.

We’ll monitor the situation and bring you the High Court ruling as soon as it is announced. In the meantime, if you are planning to review the working pattern or employment of one of your employees who is approaching their 65 th birthday, take some expert advice from Pinnacle Development Solutions on 0800 907 1015 or email [contact@pds-hr.com](mailto:contact@pds-hr.com).



result in unfair dismissal, age discrimination and consequently Employment Tribunal. Never try to cut corners or start a procedure unless you know it complies with the law as it will undoubtedly cost your business more in the long term.

As always, Pinnacle is here to ensure you manage a retirement process legally and fairly, and in a way that keeps your business reputation and your balance sheet in tact. Speak to the experts on 0800 907 1015 or email [contact@pds-hr.com](mailto:contact@pds-hr.com).

## This month @ Pinnacle

Currently Pinnacle Development Solutions are involved in:

- Delivery of Equality & Diversity Workshops for the NHS
- Developing new Contracts of Employment for two local businesses
- Giving a range of specialist advice to a number of cases relating to redundancy
- Undertaking reorganisation for a local authority in the North East of England



## Meet the Experts Update

Friday 24th April 2009 is the date for a superb day event at Basepoint, Ipswich, where a group of local experts will be divulging some useful advice and tips for your business on technology, finance and business coaching in a series of presentations, including lunch. Pinnacle's very own Adrian Dobson will be there to discuss the time-critical issue of redundancy and laying off staff, and he'll be happy to discuss any other concerns that you may have at present.

If you'd like to attend the event at Basepoint, Ransomes Europark, Ipswich from 10.00, please email [contact@pds-hr.com](mailto:contact@pds-hr.com) and we will arrange for the joining details to be sent to you.



## Fancy a Glass of Champagne? Or a treat from M&S?

That's right - it's your turn to answer the questions, but we have three great prizes up for grabs for the first three correct entries we pull out of a hat! Just complete the questions in our Employment Matters Quiz (you'll find some of the answers in previous issues!) by Friday May 8th 2009.

To enter, please go to <http://www.newsletter-genie.com/pinnacle/0904quiz.htm> and use the online form there to make your entry.

There's also the all-important opportunity to tell us what you like in Employment Matters and what you'd like to see more of - it's your feedback that will ensure our newsletter continues to meet your needs in the future.

If you are one of the three winners you could receive a magnum of champagne or one of two M&S Vouchers for £20 and £10. It will only take a few minutes and could result in a special treat!



## Further assistance

If you would like further information on any issues raised by this bulletin, or require advice or assistance with any other human resources matters, please call us today on 0800 907 1015 or send us an email.

And if you'd like complete protection against anything the growing volumes of employment law can find to throw at you, don't forget our HR Toolkit - the must-have business accessory for 2008!



The information in this newsletter is of a general nature and is not intended to replace professional advice. We recommend you to ask for specific professional advice before taking any action.

Pinnacle Development Solutions  
Westbury House, 630 Woodbridge Road, Ipswich, Suffolk IP4 4PG