

“Start preparing for staff to be protected from automatic retirement”

News - 01/09/2016

In two years' time, employees will be protected from being forced to retire when they reach pension age - and the clock is ticking for employers to review their rules and policies to cope with the change.

Ogier employment lawyer Helen Ruelle says that employers need to start thinking now about how to adapt now that the Discrimination Law has started to cover age-related complaints (as of today) and the two-year countdown to changes over retirement rules has begun.

The extra two years have been given to allow employers time to rewrite policies and review contracts in respect of retirement. At present, employees can be effectively forced to retire when they reach pension age without fear of unfair dismissal claims - from 1 September 2018, employers will have to justify the need for employees of any age to retire.

Helen says that employers who don't use the next two years to adapt to the changes could be liable to compensation claims and significant PR damage if they try to force out workers who do not want to retire.

She said: “The next two years will be an important time - if employers do not review and reconsider handbooks, policies and contracts, they could live to regret it.

“It might be that employees approaching pension age have to change duties for health and safety reasons, or because of employee performance, or because of career structuring or promotion opportunities for colleagues.

“Policies and handbooks need to be reviewed with this change in mind, along with the general anti-age discrimination provisions that have now come into force.”

As of today, the Employment and Discrimination Tribunal will be able to make awards of up to £10,000 where complaints of age discrimination or discrimination-related harassment are upheld.

From an employment law point of view, because the hearings and judgments of the tribunal are public, companies also face negative PR and an impact on their reputation as employers and ability to recruit and retain staff if they are found to have discriminated against their staff.

In most cases, companies could be held liable for discriminatory acts by their employees - and in any case, where a complainant names both a manager/colleague and their employing company in their complaint, the tribunal will be able to split any financial award as it chooses between the cited employee and the employer.

The Ogier Employment Team's recommendations are to:

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