

Cabinet Meeting on 13th December 2006

Report of Steve Woodall, Head of Personnel and Support Services

Employment Equality (Age) Regulations 2006

Purpose of Report

1. The purpose of this report is to consider the Council's response the Employment Equality (Age) Regulations 2006.

Background

2. The Employment Equality (Age) Regulations came into force on 1st October 2006. The regulations require employers to set their retirement age either at a default retirement age of 65 or something above that. Any set age below 65 must be fully justified within the law.
3. The regulations remove the upper age limit for unfair dismissal and redundancy rights, giving older workers the same rights to claim unfair dismissal or receive a redundancy payment as younger workers, unless there is a genuine retirement.
4. Since 2004, the Council has had a scheme in place to allow employees who want to continue to work beyond 65 to formally request to do so. If the directorate agrees to the request, final approval to continue to work is sought from the Lead Member for Personnel and Law & Property. In this time, excess of 160 employees have sought approval from the Lead Member to continue working, and with full agreement of the Directorate, approval has been given in every case.
5. Given the popularity of the current scheme and the beneficial effects this can have on recruitment difficulties, it would be possible to set the Council's default retirement age at 70. This DOES NOT obligate the employee to remain employment until they are 70 as the age for drawing a pension remains at 65.
6. Employees would follow their contractual notice arrangements should they wish to retire earlier than age 70.
7. Employees will have the same right to request to work beyond the age of 70 as they have now to request to work beyond the age of 65. However, this would considerably reduce the administrative burden and cost compared with embarking on the procedure at age 65.

Finance

8. There are no direct costs to these proposals; however failure to follow the legal retirement procedure would lead to unfair dismissals. This could lead to costs attached to employment tribunals and subsequent settlements.
9. Complying with the retirement process places additional burden on administration teams, managers, personnel teams and the Cabinet Member for Personnel, Law & Property. Increasing the retirement age to 70 decreases this burden.

Law


10. Implementation of the above procedure means that the Council will comply with the Employment Equality (Age) Regulations 2006.
11. Article 4.02 of the Council's Constitution makes provision for amendments to the Scheme of Delegation in Part 3 of the Constitution to be approved by the Leader of the Council with the support of the Leaders of the two Minority Groups.

Equality Impact

12. This alteration is as a direct result of implementing the Employment Equality (Age) Regulations 2006.

Recommendation

13. It is recommended that Cabinet approve the increase of the Council's default retirement age from 65 to 70.


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Steve Woodall
Head of Personnel and Support Services

Contact Officer: Nicola Johnson
Telephone: 01384 814719
Email: nicola.johnson@dudley.gov.uk

List of Background Papers

Age and the Workplace – ACAS Guide for Employers