



Ryedale District Council

REPORT TO: Policy & Resources Committee

DATE: 2 August 2007

REPORTING OFFICER: Head of Human Resources
Louise Sandall

SUBJECT: **CORPORATE RETIREMENT POLICY**

WARDS AFFECTED: None

1.0 PURPOSE OF REPORT

1.1 To seek Members approval of the new retirement policy to be implemented at Ryedale District Council.

2.0 RECOMMENDATIONS

2.1 It is recommended that the policy is adopted.

3.0 REASONS SUPPORTING DECISION

3.1 It is a legislative requirement for the Council to agree a retirement policy - The Employment Equality (Age) Regulations 2006 - SI No 2006/1031.

4.0 BACKGROUND & INTRODUCTION

4.1 The Employment Equality (Age) Regulations 2006 - SI No 2006/1031 came into force 1 October 2006. There is a national default retirement age of 65, making compulsory retirement before the age of 65 unlawful unless objectively justified (to be reviewed in 2011).

4.2 This report proposes that Ryedale District Council has a retirement age of 65 with employees having the right to request to work beyond this.

5.0 POLICY CONTEXT

5.1 Currently Ryedale District Council does not have a policy for retirement however there is now a legal requirement to agree one following the introduction of age legislation on 1 October 2006.

6.0 REPORT

6.1 Scope of Regulations

The Regulations apply to employment and vocational training. They prohibit unjustified direct and indirect age discrimination, and all harassment and victimisation on grounds of age, of people of any age, young or old.

6.2 As well as applying to retirement they:

- 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;
- allow pay and non-pay benefits to continue which depend on length of service requirements of 5 years or less or which recognise and reward loyalty and experience and motivate staff;
- remove the age limits for Statutory Sick Pay, Statutory Maternity Pay, Statutory Adoption Pay and Statutory Paternity Pay, so that the legislation for all four statutory payments applies in exactly the same way to all;
- remove the lower and upper age limits in the statutory redundancy scheme, but leave the current age-banded system in place;
- provide exemptions for many age-based rules in occupational pension schemes.

6.3 Proposed Retirement Policy

To meet the legal requirements the following policy is suggested:

- Ryedale District Council operates a contractual retirement age for all employees of 65.
- Employees have the right to request to continue working beyond 65, either on an indefinite basis, for a defined period or until a specified date and the Council has a duty to consider this request.
- The Council will take all reasonable steps to accommodate an employee's request to work beyond their contractual retirement date.
- Employees can choose to leave employment from 60 years of age with a reduced pension (unless 85 year rule has been achieved).
- On confirmation of retirement, the Council will offer to organise a pre-retirement course at no cost to the employee.

7.0 FINANCIAL IMPLICATIONS

- 7.1 No further costs should be incurred

8.0 LEGAL IMPLICATIONS

- 8.1 The Employment Equality (Age) Regulations 2006.

10.0 CONCLUSION

- 10.1 Ryedale District Council has to introduce a retirement policy to ensure that it is legally compliant with the new legislation. A policy and procedure has been drawn up by Human Resources which following approval of the policy will be published on the Council's intranet. The Unit is also reviewing existing policies and procedures to ensure they are legally compliant in reference to The Employment Equality (Age) Regulations. This policy has been through UNISON consultation.

Background Papers: Ryedale District Council Retirement Policy

OFFICER CONTACT:

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