

Now the right to work past 65: UK Firms banned from forcing employees to retire

From next October, it will be illegal for UK firms to get rid of staff once they reach 65.

Workers will no longer be forced to retire at 65 from next year under radical Government proposals to be unveiled today.

Ministers want to end the idea that people are 'past it' once they hit the existing retirement age.

From next October, it will be illegal for firms to get rid of staff when they reach 65, allowing millions who are facing retirement to stay on, the Daily Mail has learned.

Employees will not be forced to work beyond 65, but will have the option to do so and could even stay on into their 70s or 80s.

The Government has decided to tear up the existing rules as people live longer, healthier lives.

Ministers also believe the move will help boost the economy. The National Institute of Economic and Social Research estimates that extending working lives by an average of 18 months would earn Britain £15 billion.

Employment relations minister Ed Davey said: 'With more and more people wanting to extend their working lives, we should not stop them just because they have reached a particular age.'

'We want to give individuals greater choice and are moving swiftly to end discrimination of this kind.'

'Older workers bring with them a wealth of talent and experience as employees and entrepreneurs. They have a vital contribution to make to our economic recovery and long-term prosperity.'

'We are committed to ensuring employers are given help and support in adapting to the change in regulations.'

Firms that wish to get rid of an older member of staff will be able to do so only on the same grounds that would apply for someone much younger, for instance because of their conduct or performance.

But business leaders have previously attacked the idea.



There are concerns that companies will be forced to pay off 'bed-blocking' older workers if they insist on staying on year after year.

Yesterday EEF, the manufacturers' organisation, criticised the short timetable being proposed by the Government for ending the retirement age.

It said the move could lead to an increase in employment tribunal claims from older employees who believe they have been unfairly forced to leave their job.

David Yeandle, EEF's head of employment policy, said: 'Many manufacturers will be seriously concerned about this change in policy which will make workforce planning more difficult.'

'The proposed timetable gives employers virtually little or no time to alter their policies and practices before such an important change in employment legislation is introduced.'

'There is also a real danger that it could open a Pandora's box, with the onus being placed on employers to prove whether older employees are capable of continuing in their current role.'

'Inevitably, this could lead to employment tribunal cases from some older employees who have been dismissed rather than allowed to retire.'

He accused the Government of issuing contradictory messages by encouraging employers to take on more young people to reduce youth unemployment.

The move could also make it harder for the Coalition to reduce the numbers of civil servants through natural wastage as it tries to rein in public spending.

The change to both the public and the private sector will be applied retrospectively, covering staff who have already signed contracts that say they will retire at 65.

Before 2006, the compulsory retirement age was set at 65, or earlier for some jobs. But the last Government changed the law so that workers could request to stay on.

However, companies are not compelled to let them.

A record 1.4 million workers have reached the state pension age, currently 60 for women and 65 for men, according to the latest figures.

A recent survey of 1,500 workers found that 64 per cent of women and 24 per cent of men wanted to remain economically active after the state pension age.

About 60 per cent of these said they wanted to continue working but on a part-time basis, while 40 per cent said they would like to stay in their jobs but with greater flexibility in their hours.

Some firms, such as the Nationwide, Britain's biggest building society, already allow staff to work until the age of 75.

Rachel Kryz, campaign director of the Employers Forum on Age, said: 'This is an incredible leap forward on employment practices and great news for individuals.'

By [James Chapman](#) 29th July 2010 <http://www.dailymail.co.uk/>