

**EMPLOYMENT LAW UPDATE**  
**JANUARY 2011**

The government has confirmed that the default retirement age of 65 will be phased out from 6<sup>th</sup> April 2011. It will be abolished completely on 1<sup>st</sup> October 2011.

From 6<sup>th</sup> April 2011, employers will no longer be able to issue compulsory retirement notifications using the Default Retirement Age (“DRA”) procedure. Between 6<sup>th</sup> April 2011 and 1<sup>st</sup> October 2011, only employees who were notified before 6<sup>th</sup> April 2011 and whose retirement date is before 1<sup>st</sup> October 2011, can be compulsorily retired, provided that the correct DRA procedure is followed.

Employers are required to give employees a minimum of 6 months notice of compulsory retirement under the DRA. The last date to provide 6 months notice required by the DRA provisions is 30<sup>th</sup> March 2011. Employers can still use the DRA between 30<sup>th</sup> March and before 6<sup>th</sup> April 2011, but short notice provisions apply.

After 1<sup>st</sup> October 2011, employers can no longer use the DRA to compulsorily retire employees. A dismissal on grounds of retirement will only be permitted if the employer can objectively justify it.

Employers are advised to review retirement procedures now, and if necessary, seek legal advice about any compulsory default retirement age issues, or procedures that apply.

The change in the default retirement age will have far reaching effects for the way in which businesses operate. Failure to take account of the change in the law and/or review internal procedures, may lead to claims from affected employees for unfair dismissal and/or age discrimination.

This note is for guidance only and does not provide legal advice. If you require legal advice in relation to any of the points above, or employment law advice in general, please contact Neil Eaton, Andrew Connock or Jill Jack.

