

EAST HERTS COUNCIL

LOCAL JOINT PANEL – 2 DECEMBER 2010

REPORT BY HEAD OF HR

DEFAULT RETIREMENT AGE – IMPLEMENTATION
ARRANGEMENTS

WARD(S) AFFECTED: NONE

Purpose/Summary of Report

To respond to the removal of the default retirement age.

<u>RECOMMENDATION:</u>
The Local Joint Panel to note the Council's programme for the repeal of the default retirement age

1.0 **Background**

- 1.1 This purpose of the this report is to outline the upcoming changes to East Herts policies and procedures following on from the approval by the Human Resources committee to removal of East Herts Council's retirement age.
- 1.2 This was in response to the Government's decision to remove the Default Retirement Age (DRA) of 65 which was introduced in 2006. Removal of the DRA will begin in April 2011, with transitional arrangements covering the period until 1 October 2011.
- 1.3 East Herts Council's retirement age will cease on 6 April 2011 and the Human Resources Committee referred back to CMT to consider and implement the transitional arrangements.

2.0 **Report**

2.1 **National Implementation and transitional arrangements**

2.1.1 New regulations come into force on 6 April 2011 with the following effects:

- The DRA and associated regulations will finish on 6 April 2011.
- Employers will be unable to issue new notifications of retirement using the DRA on or after 6 April 2011.
- Retirements using the DRA would therefore cease completely on 1 October 2011.

2.1.2 There will be a six month transitional period (6 April 2011 to 1 October 2011), so that retirements that were already in train can continue through to completion, provided that:

- a notification of retirement is issued by the employer prior to 6 April 2011;
- the date of retirement falls before 1 October 2011;
- all requirements of the default retirement age procedure are met.
- the clause in the Age Regulations which allows short notice of retirement, will be repealed on 6 April 2011, and such short notice notifications would not be permitted during the transitional period.

2.2 Actions for East Herts

2.2.1 Moving forward from the repeal of the DRA, the Council will cease using a retirement age, and use the transitional arrangements to process any upcoming retirements before 1 October 2011.

2.2.2 CMT are aware of the transitional arrangements and all working beyond retirement requests will be processed in accordance with the transitional arrangements.

2.2.3 Heads of Service have been informed of any impact the repeal of the retirement age may have on the Medium Term Financial Plan for their service.

2.3 Changes to East Herts Policies and Procedures

2.3.1 A number of changes will be needed to the Council's current policies and procedures. Subject to CMT approval the following timeline will be followed:

2.3.2 **Contracts**

The retirement clause in the current contract will need to be amended. This may be done by issuing a contract amendment letter once the DRA is repealed.

2.3.3 **Policies and Procedures**

- Removal of the Duty to Consider Working Beyond retirement policy. This will be removed on 30 September 2011
- A new Retirement procedure will be produced. This will go through UNISON, CMT, LJP to reach the Human Resources Committee on the 30 March 2011
- Relevant changes to the Retirement Policy will be made. Timeline as above.

2.3.4 **Insurance**

- The Council's Group life insurance and personal accident cover will be reviewed in line with Government guidance. The timeline for this will be determined by the Government guidance following on from the consultation on implementation. The consultation closed on the 21st October 2010.

2.3.5 **Pensions**

No changes to pension arrangements will be necessary at this stage.

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within Essential Reference Paper 'A'.

Background Papers

Default Retirement Age, Human Resources Committee, 13 October 2010

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ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/ Objectives:	Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	
Legal:	As detailed in the report
Financial:	As detailed in the report
Human Resource:	As detailed in the report
Risk Management:	As detailed in the report

