

Full name: Abolition of default retirement age: letter to employees on implications.

[ON HEADED NOTEPAPER OF THE EMPLOYER]

[ADDRESSEE]
[ADDRESS LINE 1]
[ADDRESS LINE 2]
[POSTCODE]

[DATE]

Dear [NAME OF EMPLOYEE],

Abolition of the default retirement age

As you may know, the government will be abolishing the default retirement age of 65 from 6 April 2011. This means that it will no longer be lawful for employers to have a fixed (compulsory) retirement age after this date, except in cases where there is a clear justification for doing so.

The Company has reviewed its existing fixed retirement age of [AGE] and decided that for the time being it will [no longer have a fixed retirement age for anyone reaching that age on or after 1 October 2011 **OR** only have fixed retirement ages for the following roles: [DESCRIBE]]. [The reason for having a fixed retirement age [for those roles] is [REASON, FOR EXAMPLE HEALTH AND SAFETY, SUCCESSION PLANNING].] [The decision not to have a fixed retirement age will be kept under review [by the Board] and we will notify you if this changes in future.]

[Your contract of employment currently states that it will terminate automatically when you reach the age of [AGE]. Because we no longer intend for your contract to end automatically at that time, we will not be relying on that clause and we would like you to agree to its removal. If you decide to retire at any time, you will need to give us due notice under your contract. We attach the proposed wording that we are seeking your agreement to. We want to make this change so that, as with any other resignation, we can anticipate and prepare for someone's departure. Please would you sign and date the attached variation and return it to [PERSON] by [DATE]. If you object to signing it or have any concerns about doing so, please let [PERSON] know.]

[Anyone who is due to retire under the existing law (default retirement) has been or will be notified by letter before 6 April 2011, and the proposed amendment in relation to notice in the event of retirement does not apply to them.]

[As a result of this change in the law, employers will be permitted to withdraw or not to offer insured benefits to employees who are aged 65 or over. We will write to you separately if we intend to impose any age limits on insured benefits in future.]

[This change will not affect your existing rights under [your pension **AND/OR** the Company's share schemes] **OR** This change has made it necessary to review the wording of [the Company's share schemes **OR** [DESCRIBE ANY OTHER CONTRACTUAL PROVISIONS AFFECTED]] and we will be writing to you about this separately. If you have any queries in relation to these, please contact [PERSON] in the Human Resources Department].

Finally, a copy of our new Retirement Policy is [enclosed **OR** available [on the intranet **OR** from [PERSON]]]. It applies to everyone not already under notice of intended retirement on or by 5 April 2011.

Yours sincerely,

.....
[NAME OF MANAGER]

I agree that the wording in clause [NUMBER] of my employment contract that would bring my employment to an end on my [65th] birthday shall no longer apply, and that if I want to retire in future, I will give the Company the usual notice which is due under my contract of employment.

.....
[NAME OF EMPLOYEE]

.....
[DATE]