

Equality of Opportunity Committee

EOC(3)-05-10 : Paper 4 : Paper to Note""

Retirement age and pensionable age

Members of the committee have requested clarification from the National Assembly for Wales' Legal Service on retirement age and pensionable age. The information has been provided in the annex attached to this paper.

Committee Service

Annex

The "retirement age" and the "pension age" are not synonymous.

The retirement age is the age a person can be required to leave work.

The pension age is that age at which a person can start to draw an unreduced pension.

Normal retirement age is not the same as state pension age.

Normal retirement age is currently 65 for men and 60 for women.

The state pension age is being equalised at 65 for both men and women over the period 2010 - 2020.

This presents problems where people can be compelled to retire at 60 but not qualify for a state pension until they are 65.

Under current law employers can lay down mandatory retirement ages in contracts of employment.

Under age discrimination legislation which came into force in 2006 compulsory retirement ages are unlawful unless they can be objectively justified. But, this is subject to a national default retirement age of 65 which allows mandatory retirement for those over this age (or the employer's normal retirement age) as long as employees are given the opportunity to exercise their right to request working beyond retirement age.

The Equality Bill preserves mandatory retirement in Schedule 9, part 2, paragraph 8 which sets out the exceptions relating to age and retirement.

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