

Workforce management without a fixed retirement age

Age Positive

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Introduction

People are living longer and working longer. At the same time, the number of younger people joining the labour market is dropping. By 2020 almost a third of the workforce will be over the age of 50.

This represents a major change for the two-thirds of employers who currently estimate that less than 25 per cent of their workforce is aged 50+. However there are potential business benefits to be realised by employers who prepare for this change now. It makes sense to use all the available skills and experience of an older workforce to meet the needs of your business.

Older employees can bring valuable experience and knowledge to a business. They can use their know-how to train and mentor less experienced colleagues, and may welcome the opportunity to work more flexibly to cover extended or unsocial business hours. Older employees often have high levels of commitment to a company, resulting in reduced staff turnover and saving your business money. With this in mind, it makes sense to encourage older workers to stay within the business.

With the implications of an ageing workforce and legislative changes that will make unjustified fixed retirement ages unlawful, employers should review their practices. This guide provides good practice information for businesses to effectively address these issues. It sets out simple, practical steps on managing age-related issues positively and outlines how to employ older workers for the benefit of both business and employees. Case studies throughout the guide show how businesses who already operate without fixed retirement ages work and how they have benefited from employing older people.

Age legislation

The law on age and retirement is changing. The Government is phasing out the default retirement age (DRA) from April 2011.

From 6 April 2011, subject to Parliamentary procedures, employers will no longer be able to issue notifications of retirement using the DRA procedure. Where notifications have already been made prior to 6 April 2011 in accordance with these procedures, employers will be able to continue with the retirement process as long as the employee is aged at least 65 (or the employer's retirement age, where this is higher) before 1 October 2011.

In accordance with DRA procedures those employees will be able to request to work on beyond their notified retirement date and employers will be able to agree an extension to their employment. If the employer wishes to give an extension that still ends with dismissal under the DRA, the extension must be for a fixed period of six months or less. (This is the maximum period allowed without the need to issue a further notification of retirement.)


Beyond these transitional arrangements, employers will no longer be able to rely on the DRA. This means that employers will not be able to compulsorily retire their employees, unless the retirement can be objectively justified in their particular circumstances.

In certain cases it might be possible for an employer to objectively justify a retirement age but in order to do so an employer would need to show that they were acting to further a legitimate aim of the business and that their actions to achieve that aim were appropriate and necessary. The employer may need to defend these actions at tribunal, if challenged .

Download guidance on age legislation from the ACAS website.

[Retirement Process and the removal of the Default Retirement Age \(DRA\)](#) (ACAS website)

More information

[Age and the workplace](#) (654KB)  (ACAS website)

[Phasing out the Default Retirement Age](#) (Department for Business, Innovation & Skills website)

[Age discrimination](#) (ACAS website) or contact the ACAS employer helpline on 08457 474 747

[Equality Act](#) (Equality and human Rights Commission website)

[Age Positive - main guidance and resources](#) (Business Link website)

Workforce management

Employees at different ages and with varied experience can make a significant contribution to your business. Whether you employ 4 or 50 or more staff, successful workforce management requires a balance between treating all workers equally regardless of their age, while responding to their particular strengths and needs at different stages of their lives. Recruiting and retaining the best people for your business while complying with age legislation means employers need a positive approach to age in:

- Recruitment and selection
- Training and promotion
- Performance management
- Retirement
- Flexible working
- Redundancy
- Health and safety

Employers should ensure that all staff appreciate the benefits of an age-diverse workforce and they do not hold onto out-of-date assumptions about older workers that will limit business success.

The facts show that older workers generally:¹²³

- have lower levels of staff turnover
- are as successful in training as younger workers and strong in people skills and customer services, based on years of life experience
- have a broad range of skills and experience, offering opportunities to mentor new recruits
- have fewer accidents and lower levels of short-term sickness
- are just as flexible as younger workers and may contribute useful ideas based on their work experience
- don't tend to block opportunities for younger workers
- remain as productive in most jobs at least up to age 70, particularly where they receive the same levels of training as younger workers.

¹ IFD and employer case studies

² An update of the literature on age and employment Health & Safety Laboratory 2010

³ Practical tips and guidance on training a mixed-age workforce DWP 2006

Workforce management - practical steps


Understand the age profile of your current workforce and how it may impact your business in the future:

- Review how you can attract and retain older workers to maintain your skills base now and anticipate longer-term business growth.
- Review your approach to succession planning. Reduce turnover costs by helping your skilled older workers to carry on working, either full time, part time or flexibly, as long as they want to and are effective. Remember if part-time or flexible working is not open to all, then targeting it at older workers would need to be objectively justified. [Read the flexible working section for more information](#)
- Involve experienced staff, including your older workers, in sharing skills, training and mentoring new recruits.
- Be proactive in communication of your policies and practices to all staff and line managers to ensure they actively support your approach and understand how it will benefit the business.
- Ensure that all staff know that no one is judged by their age and all workers are managed and valued based on what they do.
- Communicate benefits that you can offer, such as flexible working or a reduction in hours, to motivate employees. These should be open to all (unless restrictions can be justified) but it is possible that older workers may particularly value benefits other than just financial incentives.

Hertfordshire County Council believe that employees of all ages have valuable contributions to make to the organisation and for this reason operate without a retirement age to allow people to continue working for as long as they are willing and able. They are committed to offering retiring employees support and flexible options to make their transition from working life to retirement an enjoyable one.

As a result, employees feel more valued and committed to the organisation and at the same time Hertfordshire County Council see reduced recruitment costs and reduced voluntary staff turnover (down to 11.7% in September 2010).

More information

[Age and the workplace](#) (654KB)  (ACAS website)

[Age Positive - main guidance and resources](#) (Business Link website)

Recruitment and selection

Recruitment is expensive, in time and money. It may be more cost effective to focus on keeping your staff and considering re-training and development for existing employees.

When you are recruiting you want to get the best possible candidates for the job, whatever their age. To do that, check that your recruitment process focuses on the requirements of the job, not the age of applicants. Younger and older workers can offer real business benefits. [Read the workforce management section for more information](#)

For younger workers, the Government fully funds Apprenticeship opportunities to help employers develop their skills and experience at the start of their working lives. Whilst older workers often have ready skills and experience they can also offer employers from the outset.

This section will help you review your recruitment process to make sure that your practices are not limiting your chances of getting the best person for the job, whatever their age. Communicate your policies clearly so that all staff know-how to put them into practice.

Recruitment action plan

Job advertising

- Think about where you advertise. Use a wide range of media to reach different age groups and avoid age bias.
- Avoid using terms which are simply code for particular ages, such as 'school leaver', 'first job' or 'recent graduate'.
- Think carefully before using terms that can be associated with particular ages, such as 'mature' or 'energetic'. If you cannot show that these are real and necessary attributes for the post, and not related to age, then terms such as these should not be used.
- If asking for experience, describe the type of experience that is required to do the job rather than the number of years of experience.
- Qualifications have changed over time. Only ask for them if they are essential for the job. If you do have to ask for qualifications, make it clear in advertising that you will consider equivalent qualifications so you don't exclude people of different age groups.
- Focus on the competencies required to do the job.
- Few jobs have to be done full time. Think flexibly about work patterns to help attract the best range of applicants.
- Check that any statements you include in adverts about your equality policy, reference your commitment to age-neutral policies.

Application forms

- You can ask for an applicant's date of birth to assess how effectively you are attracting candidates of all ages. It is good practice to keep this separately from the application to ensure the selection process is not influenced by age.

Interviews

- Ensure that staff who are responsible for selecting and interviewing candidates are aware of the law on age discrimination. There are only very few situations in which it is lawful to discriminate in recruitment on grounds of age. Recruitment decisions based solely on age may be unlawful and businesses could be found liable in court and required to pay compensation.
- If possible, involve managers who represent different age groups when interviewing candidates.
- Use criteria to assess candidate skills and their ability or potential to do the job, and agree questions beforehand based on the person specification and job profile. This can help to ensure you don't make assumptions based on age.
- Ensure there are no assumptions about future capability or length of service: age is not generally a good indicator of potential return on investment.
- Review interview results to check that no age bias, deliberate or unintentional, has influenced selection decisions.

Recruitment agencies

- Ensure your recruitment agencies comply with age legislation. Be clear about your commitment to an age-diverse workforce. Remember, if they discriminate you may be liable.

Some exemptions to age discrimination

- You can set an age limit which simply reflects the position set out in other legislation, i.e. where a job cannot legally be done by a person under or over a certain age. For example, serving alcohol or driving passenger vehicles. However, think about whether the job could be adapted first, such as supermarket checkout staff can be younger than 18, where someone older takes responsibility for alcohol sales.

There are only a limited number of other exemptions where it is legal to set an age limit for recruitment.

- In some circumstances an employer may specify a particular age where this is otherwise required for the job. This is called a 'genuine occupational requirement' and in practice this is unusual apart from, for example, acting in certain theatre roles.
- In other specific circumstances an employer may be able to objectively justify an age-related restriction.

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Whether the employer is using a general or a specific exception, the employer themselves would need to be able to defend the age limit if challenged at tribunal.


“We feature employees over 50 in our recruitment advertising to send out a positive message to prospective older applicants.” Jim Dalton, Head of Resourcing & Employee Engagement, First Group

“There are a lot of misconceptions out there around employing and hiring older workers in a physical industry. We find that our older employees absorb training quickly as they can apply their life experience and common sense to the theory.” T Shea

More information

[Recruiting people](#) (Business Link website)

[Recruiting and interviewing](#) (Business Link website)

[Age and the workplace](#) (654KB)  (ACAS website)

[Age Positive - main guidance and resources](#) (Business Link website)

Training and promotion

Training can help businesses fill skills gaps, increase productivity and keep pace with change. It supports workforce motivation and retention across workers of all ages.

In most jobs these days, where older workers receive the same level of training as younger workers, older worker productivity does not usually decline until at least age 70.⁴

Some employers are much less likely to provide training to older workers if they are assumed to be within two to three years of possible retirement; not only could this be unlawful age discrimination, it doesn't make business sense. The risk of an employee leaving the company after receiving training is the same across all age groups.⁵

Research shows that younger workers have a higher staff turnover rate than older workers⁶ and most training returns an investment within a year, so age is not generally a good indicator of return on training investment.⁷

With an age diverse workforce, you can make the most of the range of skills and experience brought by people of different ages. Many employers draw on the skills of their more experienced workers, including their older workers, to help bring on other staff. For example, the Land Registry in Swansea do this by teaming new staff with more experienced staff for mentoring and knowledge sharing.

How to make training and promotion accessible to all age groups

- Don't use minimum or maximum age restrictions for training or for offering promotion unless you are sure those restrictions can be justified. You may be asked to justify these restrictions in an employment tribunal.
- Make sure all employees, including older employees, know that training and development is relevant to them and encourage all workers to take up opportunities. Older workers are not always aware of the opportunities that are open to them or assume they are for younger workers.
- Use regular discussions to talk to individuals about their training and promotion options. This will help both you and the individual to plan ahead and keep meeting both business and individual needs.
- Monitor take-up of training by employee age to make sure all staff are benefiting from available opportunities. Talk to people who don't attend or refuse training to find out why.
- Monitor outcomes from promotion exercises to ensure age bias has not occurred. Remember it is unlawful to rule someone out for promotions on the

⁴ An update of the literature on age and employment Health & Safety Laboratory 2010


⁵ Default Retirement Age: Employer qualitative research DWP 2010

⁶ Labour Force Survey

⁷ Practical tips and guidance on training a mixed-age workforce DWP 2006

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grounds of age unless it can be objectively justified. Read ACAS guidance on age and the workplace.

[Age and the workplace](#) (654KB)  (ACAS website)

- Don't assume older workers will not take up training or a new post. Age is not generally a good indicator of return on investment and employers need to maximise the productive contribution of all their workers, regardless of age.
- Encourage mentoring and sharing of skills within your business. Experienced workers, including older workers, can support and train new recruits and less-experienced employees.

Not providing training to older workers could be unlawful age discrimination and it doesn't make good business sense.


“We have found that older workers who receive job-related training reach the same skill standards as younger workers. A 61-year-old team leader trained to operate a forklift, taking a four-day induction course and passing a practical and written exam - exactly the same as everyone else in the company.” Linda Lloyd, HR Director, Beacon Foods.

“Experienced workers, including older workers, pass on vital skills and give practical support to new employees. This has helped us improve training by involving experienced workers in the company's apprenticeship scheme”. The training process for new staff has improved significantly by involving experienced workers who are given formal 'trainer training'. The company annually assesses the abilities of all employees, matching these to the work within the plant and arranging any necessary training.”

“We have no retirement age. There are no concerns about reduced progression opportunities and the process of training new staff has been improved greatly by involving experienced, skilled workers as trainers on the company's apprenticeship scheme.” Paul Brabban, Managing Director, South Wales Forgemasters

“We hold onto our workforce well into their later years and retrain them. This allows us to keep and use their skills, and it gives us a tremendous bank of knowledge and experience.” Stanair Industrial Door Services

More information

[Age and the workplace](#) (654KB)  (ACAS website)

[Identifying learning and talent development needs](#) (Chartered Institute of Personnel Development website)

[Improve the performance of your staff](#) (Business Link website)

[Fit the training to your needs](#) (Business Link website)

[Age Positive - main guidance and resources](#) (Business Link website)

Performance management

The law on compulsory retirement ages is changing. It will increasingly be for employees to consider when and how they retire. Employers may wish to discuss with their older workers their options for working on and for retirement. Performance discussions provide the opportunity for that discussion to naturally arise.

Whether formal or informal, performance discussions are critical to help employers get the most from their workers and to enable workers to address their needs and perform effectively. Increasingly, employers are using performance appraisals (currently 79 per cent of employers, which accounts for 89 per cent of the workforce).⁸

For employers and older workers it is an opportunity to open up discussion about on-going work options, retirement options, further skills development and, where retirement is raised, to plan the transfer of knowledge, skills and experience back into the business.

Performance management for older workers

- Ensure managers are able to discuss performance with workers of all ages and place focus on competence, ability and potential, without making assumptions about age. Use performance discussions to help to build strengths and identify solutions to tackle weaknesses.
- Encourage an open culture of active performance management, formal or informal, throughout workers' careers to avoid unexpected announcements, confrontations or 'loss of dignity'.
- Ensure you review the performance of all your workers. Reviewing the performance of just your older workers could raise concerns about unlawful age discrimination.
- Build in discussions with workers to say where they see themselves in a year or two. This will give older workers an opportunity to open conversations around retirement planning.
 - o Encourage your older employees to say whether they want to carry on working as they are, or whether they are considering a need for a change, either in their work or towards retirement. [Read the retirement section for more information](#)
- Use discussions to motivate and encourage performance giving clear feedback and expectations for the future.
- If an employee is not delivering against their job role, you should address this through performance management, whatever their age. Identify any reasons or difficulties and seek to remedy the problem.

⁸ Second Survey of Employers' Policies, Practices and Preferences Relating to Age DWP 2010

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- Offer guidance and identify training and development opportunities to improve performance. [Read the training and promotion section for more information](#)
 - Re-visit your regular health and safety workplace assessments to check they are effective. [Read the health and safety section for more information](#)
 - You may consider whether changing their working pattern, reducing their hours or moving them to a different role, for example one with lower levels of responsibility, would help you to retain their skills and experience, and help them to perform effectively.
- If poor performance cannot be solved, follow the normal ‘fair dismissal’ procedures.

“Each individual's training and development needs are informed by annual staff appraisals. Age is irrelevant in this process as is seniority. All staff, whether on the shop floor or in senior management, receive their appraisal.” Alleverd Springs

Hunters Estate Agents has no retirement age and applies appraisal, disciplinary and dismissal policies to all staff equally regardless of age without difficulty:


“Weekends are a very busy time for us and many older people are attracted to weekend working. We have job sharing, flexible retirement and part-time working, helping us attract and retain staff. Quite simply, employing older people makes good business sense to our company”. HR Director, Hunters Estate Agents

“We have high levels of staff retention, which helps minimise recruitment costs, recoup investment in training and development and retain valuable knowledge and experience.”

“Every employee irrespective of age is subject to a formal, annual performance appraisal that is linked to the overall business objectives. At these appraisals, individual training needs and career aspirations are discussed. There is no discrimination in terms of age for either internal or external training courses. Priorities are determined by the needs of the employee or the job. We have employees of all ages ranging from 16 to 80.” Spokesperson, London Borough of Enfield

More information

[How to manage performance](#)(931KB)  (ACAS website)

[Age and the workplace](#) (654KB)  (ACAS website)

[Employing older workers](#) (Business Link website)

Retirement

The law on age and retirement is changing. The Government is phasing out the default retirement age (DRA) from April 2011. [Read the age legislation section for more information](#)

Two-thirds of businesses already operate without a fixed retirement age.⁹ Offering employees the choice to work on and providing flexible working options around retirement can help you retain skilled and experienced people. Many employers report that it can reduce staff turnover, lower recruitment and training costs, and have a positive effect on productivity.

- Age is not an indication of capability or physical ability to do a job. Research by the Health and Safety Laboratory has confirmed that in most jobs these days, productivity does not usually decline at least up to 70 years old - notably where older workers receive the same levels of training as younger workers. Older workers tend to have fewer accidents and take less short-term sickness. A minority, with long-term illnesses, tend to withdraw from the labour market and do not seek to work on for longer.¹⁰
- Research by the Institute for Fiscal Studies (2010) found no positive effect on youth employment from measures which allow older workers to retire early in order to release jobs for younger workers.¹¹ Many employers believe removing older workers to 'make way' for younger workers can damage productivity by failing to maximise skills and experience and increasing staff turnover, as well as the costs of recruitment and training.

How to manage without a set retirement age

Where there is no employer-justified retirement age, it will be for each employee to consider when and how they would like to retire. It's not about working indefinitely – it's still fine for workers to plan towards retiring with a positive attitude.

Employees may themselves initiate discussions about retirement or working on, particularly when an employer's occupational or private pension scheme notifies them that they will soon be able to draw their pension. That is a good time to talk about options for continuing work or retirement.

- Communicate your policies clearly. Your managers need to know your policies and how to put them into practice. Your employees need to know whether they can work longer. They will value having a choice about how and when to retire, so you should promote the opportunities that are available to them.
- Encourage employees to initiate discussions with line managers at any time to discuss their options for continuing to work or retiring. For example, when they receive a notification from a pension scheme about their forthcoming pension entitlement.

⁹ Second Survey of Employers' Policies, Practices and Preferences Relating to Age, DWP 2010

¹⁰ An update of the literature on age and employment, Health & Safety Laboratory 2010


¹¹ Releasing jobs for the young?" Institute for Fiscal Studies, 2010

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- Use formal or informal performance discussions to talk about on-going work options, retirement options, further skills development and, when retirement is raised, to plan the transfer of knowledge, skills and experience back into the business. This will help both you and the individual to plan ahead. [Read the performance management section for more information](#)
- Make it clear that in the absence of compulsory retirement ages employees can decide whether they wish to retire or work on. They will choose when to retire. They aren't expected to carry on working indefinitely.
- Use consistent and regular performance management for employees of all ages to develop staff and manage any under performance. [Read the performance management section for more information](#)
- Where an employee is under-performing you will need to take action, whatever the age of the employee. By openly discussing the reason for the problem, where possible consider with them possible corrective measures such as: changing their work pattern, reducing their hours or moving them into a different role, perhaps with less responsibility. This could help you retain valuable skills and experience in the business and help the employee perform more effectively.
- If poor performance cannot be solved, follow the normal 'fair dismissal' procedures that would apply to workers of any age.
- Consider whether offering a flexible approach to retirement will help retain key skills for your business. Remember if you are offering flexible working to individuals moving towards retirement but not to other workers that would need to be objectively justified. It may be difficult to justify offering flexible working arrangements to older workers, but not to other groups, such as parents of young children. [Read the flexible working section for more information](#)
- Monitor who is leaving your business and why, if people are retiring because they think they have reached an age when this is expected, consider what you can do to change this perception.
- Think about helping older workers to consider their options by referring them to Directgov for guidance on working on and retirement planning, and to their pension providers who can help them consider the financial implications of their options.

More information

[Requesting to work past retirement](#) (Directgov website)

[Age and the workplace](#) (654KB)  (ACAS website)

[Employing older workers](#) (Business Link website)

Pensions

The State Pension age is not a 'retirement age' – older workers can carry on working past their State Pension age, and while claiming their State Pension. Alternatively, they can defer claiming their State Pension, for at least a year, in return for either an enhanced pension or a lump sum when they do decide to claim their State Pension.

If you offer your staff a workplace pension scheme, consider reviewing its terms with the scheme trustees or managers, to support members who want to work beyond the scheme's normal pension age.

Many employers have already adapted their pension arrangements to support flexible, later retirement. For example, some allow contributions to be made to the scheme as long as the member continues to work. Others allow access to alternative arrangements, such as a different scheme.

The Department for Work and Pensions notifies people as they approach State Pension age. Workplace pension schemes notify members as they approach the scheme's normal pension age. These notifications are, in effect, prompts that invite older workers to consider their options for retirement or working on. The employer should be open to discussions with their older workers to help them consider their options to carry on working, take flexible retirement or full retirement.


Older workers will need to consider their options for working on in conjunction with planning for their retirement and the implications for their pensions. You can refer them to guidance on Directgov for further information on working on and retirement planning.

[Requesting to work past retirement](#) (Directgov website)

From 2012, employers will be required to automatically enrol all eligible job holders into a qualifying workplace pension and to make contributions into it. More information can be found on Business Link.

[Workplace Pension Reforms](#)

More information

[Age and the workplace](#) (654KB)  (ACAS website)

[Employing older workers](#) (Business Link website)

Flexible working

Flexible working is a popular option for older workers as it allows people to make a gradual transition between full-time work and retirement. Sixty percent of over 50s say they would like to continue working past State Pension age, but on a part-time basis.¹² Half of people who recently retired said they would have considered working longer if they could have accessed flexible work.¹³

Flexible working has benefits for employers and employees. It can increase employee commitment and motivation and help retain skilled and experienced staff. It can also help employers to manage the flow of work, whether on a day to day basis or over the longer-term.

It is good practice to offer flexible working to all employees. Remember if flexible working is not open to all, then targeting it at older workers would need to be objectively justified. It may be difficult to justify offering flexible working arrangements to older workers, but not to other groups, such as parents of young children.

You can save on overheads when employees work from home. Shift-working can mean less downtime for machinery or enable you to extend the hours that customers have access to the business.


Ways to facilitate flexible working include:

- Flexi time;
- shift work;
- job sharing;
- compressed hours;
- part-time or reduced hours;
- temporary contracts;
- seasonal work;
- term-time only;
- home working;
- unpaid leave;
- annualised hours;
- call down contracts;
- peak service or peak production times.

¹² Working Better – The over 50s, the new work generation EHRC 2010

¹³ Changing Work in Later Life : A study of job transitions CROW, University of Surrey 2004

How to operate flexible working

- Review all flexible working options and offer the range of working patterns that meet the needs of the job and the business. Don't rely on traditional working practices just because that's the way things have been done previously.
- Look at good practice in your sector for ideas:
 - » [Good practice case studies: managing without a fixed retirement age](#) (89KB)  (DWP website)
- Ensure your line managers are aware of the options available in your business and how to consider requests to work flexibly.
- Make sure workers of all ages know about your commitment to flexible working. Provide information about their options and how to apply to work flexibly.
- Proactively offer individuals an opportunity to discuss the options available to them through informal and formal performance discussions. [Read the performance management section for more information](#)
- Help individuals assess the financial implications of flexible working by referring them to information on the Directgov website.
 - » [Changing the way you work in later life](#) (Directgov website)


“Flexible working options help people choose when they work. We offer a range that includes flexi-hours, reduced hours, condensed hours and other options. One example is the opportunity to work flexibly within skills and competencies, in terms of 'downgrading' to less demanding roles as appropriate and possible. This gives both the organisation and the person flexibility; the individual can continue to work and we can retain valuable experience and skills within the workforce.” Spokesperson, Portsmouth City Primary Care NHS Trust

More information

[Flexible working](#) (Chartered Institute of Personnel Development website)

[Flexible working - the law and best practice](#) (Business Link website)

[Employing part-time workers](#) (Business Link website)

[Age and the workplace](#) (654KB)  (ACAS website)

[Employing older workers](#) (Business Link website)

[Age Positive - main guidance and resources](#) (Business Link website)

Redundancy

Redundancy is an unfortunate fact of life and businesses have to make hard decisions when they need to let people go. When you do have to do this, it makes sense to try and keep the staff who have skills and experience that is essential to the running of your business, whatever their age.

The law on redundancy

There are no age limits on statutory redundancy pay. It may be payable to workers under 18 and over 65.

Age discrimination legislation provides only very limited exceptions which allow employers to take age and length of service into account when setting levels of contractual payments for compulsory redundancy. Outside of these exceptions, employers will need to justify their own contractual arrangements for severance payments.

Employers considering redundancies should make sure that all staff involved in the selection and decision-making process are aware that it is unlawful to make a decision based on age unless this can be objectively justified.

This guide provides good practice information for you on how to ensure your business can reap the benefits of an age neutral redundancy policy.

Consider alternatives to redundancy

Alternatives to redundancy could help you through difficult times while keeping your skilled and committed workers. Consider alternative working arrangements that also help meet the business need such as:

- Job sharing;
- reduced hours;
- career breaks.

Voluntary redundancy

If used, focus on specific aspects of the business that you need to scale back on, or if necessary the whole workforce. Avoid making assumptions about people which lead to workers of particular age groups being targeted.

Voluntary early retirement may be an option for certain age groups, if permitted by an occupational pension scheme that your business offers. This should be one option within a wider voluntary redundancy offer that is age neutral.


[Making and employee redundant](#) (Business Link website)

How to manage redundancy

- Within your business, discuss and agree the criteria that you will use to make redundancy decisions. Include business needs coupled with the skills and capabilities of the job requirements.
- Communicate your policy clearly to all staff and ensure that line managers understand how the policy will aid you to retain business-critical, valuable skills, when redundancy decisions are required.
- Use performance appraisals to help line managers identify the skills and experience of your staff so that redundancy decisions are based on objective criteria and evidence. [Read the performance management section for more information](#)
- Consider developing an equality policy that will ensure there is no discrimination based on age, so that staff will understand that decisions are made on their skills, experience and business need. [Read the age legislation section for more information](#)
- Consider alternative working arrangements that can help your business retain key skills. [Read the flexible working section for more information](#)

South Wales Forgemasters takes a flexible approach to redundancy – for example, ‘holding’ workers in an extended training position, rather than laying them off completely. If redundancy is the only option, selection criteria are based on a measure of performance, skills, qualifications and experience. Business benefits: Retaining skills and experience means teams work more effectively.

More information


[Redundancy handling](#) (732KB)  (ACAS website)

[Avoiding unlawful discrimination when making redundancy decisions](#) (Equality and Human Rights Commission website)

[Redundancy](#) (Chartered Institute of Personnel Development website)

[Handling potential redundancies](#) (Business Link website)

[Employing older workers](#) (Business Link website)

[Age and the workplace](#) (654KB)  (ACAS website)

[Age Positive - main guidance and resources](#) (Business Link website)

Health and safety

Age is not a good indication of capability and does not generally determine an employee's physical ability to do a job. This section will help you to look at your health and safety policy and check that any practices or routines you operate are age neutral.

Some employers think that older workers are less capable and more likely to have accidents or take more time off work sick. In fact, many employers report benefiting from the commitment and good attendance shown by their older workers.

Evidence shows:¹⁴

- In most jobs these days, productivity does not usually decline at least up to age 70, where older workers receive the same levels of training as younger workers.
- Any decline in older worker speed can be offset by better judgement based on experience.
- Poor workplace design and inflexible working practices are more likely to prevent staff from being fully effective. Physical demands from work can often be minimised through changes in work design or use of equipment.
- Older workers tend to have fewer accidents and lower levels of short-term sickness.
- The general health of older adults is improving and healthy life expectancy is increasing: on average men aged 65 can now expect to live a further 12.8 years in good or fairly good health, and women a further 14.5 years.
- The minority of older workers who do develop long-term sickness tend to self-select to leave the labour market altogether.

Managing your Health and Safety practices

- Within your business, review your health and safety policies and promote sensible working practices for employees of all ages.
- Make sure you communicate your policies to all staff.
- Ensure that all line managers carry out health and safety workplace assessments and take account of the needs of workers of all ages.
- Use your regular formal or informal discussions to engage with individuals openly about any health and safety issues they may have.

The Health and Safety Executive (HSE) provides useful facts and tips to help you make your policies age neutral.

[Age - useful facts and tips](#) (Health & Safety Executive website)

¹⁴An update of the literature on age and employment, Health & Safety Laboratory 2010

Risk assessment

A health and safety risk assessment is an important step in protecting your workers and your business, as well as complying with the law. In many instances, simple, cheap and effective measures to manage risks can ensure your most valuable asset – your workforce – is protected.

Some simple measures can include:

- Assessing whether heavy lifting is needed in a particular job or can be removed;
- adapting workstations to minimise repetitive movements;
- adjusting lighting, temperature and working conditions.

Risk assessment should be related to the job, not to the age of the employee. All staff benefit from improved working conditions and a commitment to health and safety.

Further guidance can be found within the HSE guide: [Five steps to risk assessment](#)


Where a person does have a disability as defined by the Equality Act, an employer may need to make a reasonable adjustment to enable them to do the job. Reasonable adjustment to hours, job type or equipment could help you to recruit or retain staff with valuable skills and experience within your business. [Read Equality and Human Rights Commission \(EHRC\) guidance on making reasonable adjustments](#)

More information

[Business benefits - Good practice in health and safety](#) (Health & Safety Executive website)

[The duty to make reasonable adjustments for disabled people](#) (Equality and Human Rights Commission website)

[Employing older workers](#) (Business Link website)

[Age and the workplace](#) (654KB)  (ACAS website)

[Age Positive - main guidance and resources](#) (Business Link website)

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